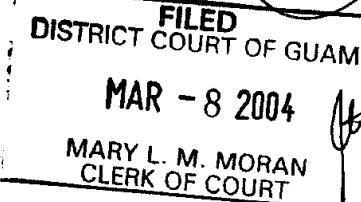


Carlos L. Taitano  
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Attorney for Plaintiff

IN THE DISTRICT COURT OF GUAM

SAITUREX GUAM INVESTMENT CO. LTD., ) CIVIL CASE NO. **03-00045**  
                                          )  
                                          Plaintiff,     ) AMENDED COMPLAINT FOR  
                                          ) REFUND OF GUAM TERRITORIAL  
                                          v.               ) INCOME TAX  
                                          )  
GOVERNMENT OF GUAM,                )  
                                          )  
                                          Defendant.    )  
                                          )

---

Comes now the Plaintiff, SAITUREX GUAM INVESTMENT CO. LTD., and for the Plaintiff's cause of action alleges that:

1. This Court has jurisdiction to hear this action pursuant to 48 U.S.C. §1421i(h).

2. The Plaintiff is a Guam corporation whose taxpayer or employer identification number is: 98-0018893, and whose current mailing address is: c/o Deloitte & Touche LLP, 361 South Marine Drive, Tamuning, GU 96913.

3. On February 11, 2003, the Plaintiff duly changed its name from: "Sun Motoyama International Guam, Inc.," to: "SAITUREX GUAM INVESTMENT CO. LTD."

//

//

ORIGINAL

SAITUREX GUAM INVESTMENT CO. LTD. v. GOVERNMENT OF GUAM )  
Amended Complaint for Refund of Guam Territorial Income Tax)

4. The Defendant is the government of the unincorporated territory of the United States of America pursuant to 48 U.S.C. §1421a.

5. This is an action for the recovery of the Guam Territorial Income Tax (the "GTIT") erroneously or illegally assessed or collected by the Defendant, or paid by the Plaintiff, plus interest.

COUNT ONE

6. Recovery is sought of the GTIT overpaid by the Plaintiff in the amount of \$360,516.00 for the taxable year ending July 31, 1999.

7. On February 29, 2000, the Plaintiff timely filed with the Department of Revenue and Taxation, Government of Guam the "1998 Guam Corporation Income Tax Return" of the Plaintiff for the tax year ending July 31, 1999, timely claiming a refund of the overpaid GTIT in the amount of \$360,516.00 (the "1998 Form 1120"), a copy of which is attached hereto and incorporated herein by this reference as Exhibit "A."

8. Based upon the 1998 Form 1120, the Plaintiff not only paid the GTIT, but also actually overpaid the GTIT to the Defendant, and the Defendant actually collected the GTIT from the Plaintiff, in the amount of \$360,516.00.

//

9. More than six months have elapsed since the timely filing of the 1998 Form 1120 timely claiming the refund of the GTIT in the amount of \$360,516.00, and no other action has been taken thereon.

COUNT TWO

10. The allegations in paragraphs 1 through 9 of this Complaint are re-alleged and incorporated herein by this reference.

11. Recovery is sought of the GTIT overpaid by the Plaintiff in the amount of \$43,564.00 for the taxable year ending December 31, 2001.

12. On September 3, 2003, the Plaintiff timely filed with DRT the "Amended Guam Corporation Income Tax Return" of the Plaintiff for the tax year ending July 31, 1997, timely claiming a refund of the overpaid GTIT in the amount of \$43,564.00 (the "1996 Form 1120X"), a copy of which is attached hereto and incorporated herein by this reference as Exhibit "B."

13. Based upon the 1996 Form 1120X, the Plaintiff not only paid the GTIT, but also actually overpaid the GTIT to the Defendant, and the Defendant actually collected the GTIT from the Plaintiff, in the amount of \$43,564.00.

14. More than six months have elapsed since the timely filing of the 1996 Form 1120X timely claiming the refund of the GTIT in the amount of \$43,564, and no other action has been taken thereon.

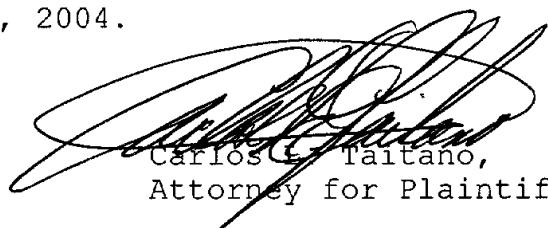
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SAITUREX GUAM INVESTMENT CO. LTD. v. GOVERNMENT OF GUAM )  
Amended Complaint for Refund of Guam Territorial Income Tax)

15. The Defendant failed or refused, and continues to fail or refuse, to refund the GTIT that was claimed as overpaid by the Plaintiff and described in this Complaint.

Wherefore, the Plaintiff demands judgment in the amount of \$404,080.00, plus interest, attorney's fees and costs pursuant to 26 U.S.C. §7430, and such other relief as the Court may deem just.

Dated this 8th day of March, 2004.

  
Carlos C. Taitano,  
Attorney for Plaintiff

GUAM

Form 1120

Department of the Treasury  
Internal Revenue Service

## U. S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 1998 or tax year beginning 8/01, 1998, ending 7/31, 1999

1998

► Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

## A Check if a:

1 Consolidated return (attach Form 851)

2 Personal holding co. (attach Sch. PH)

3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T- see instructions)

Use IRS label. Otherwise, please print or type.

SUN MOTOYAMA INTERNATIONAL GUAM, INC.  
P.O. BOX 8139  
TAMUNING, GU 96931B Employer identification number  
**98-0018893**C Date incorporated  
**5/23/74**

D Total assets (see page 5 of instructions)

\$ **5,480,615**E Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change of address

INCOME

SEE INSTRUCTIONS

DEDUCTIONS FOR LIMITATIONS

TAX AND PAYMENT

30 31 32 33 34 35 36

1a Gross receipts/sales	<b>1,364,618</b>	b Less returns & allowances		c Balance ►	<b>1c 1,364,618</b>
2 Cost of goods sold (Schedule A, line 8)				2	<b>809,140</b>
3 Gross profit. Subtract line 2 from line 1c				3	<b>555,478</b>
4 Dividends (Schedule C, line 19)				4	
5 Interest				5	<b>256,176</b>
6 Gross rents				6	
7 Gross royalties				7	
8 Capital gain net income (attach Schedule D (Form 1120))				8	
9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)				9	<b>-46,276</b>
10 Other income (see page 6 of instructions - attach schedule)				10	<b>67,336</b>
11 Total Income. Add lines 3 through 10.				11	<b>832,714</b>
12 Compensation of officers (Schedule E, line 4)				12	<b>36,000</b>
13 Salaries and wages (less employment credits)				13	<b>345,046</b>
14 Repairs and maintenance				14	<b>566</b>
15 Bad debts				15	
16 Rents				16	<b>148,869</b>
17 Taxes and licenses				17	<b>84,200</b>
18 Interest				18	<b>624</b>
19 Charitable contributions (see page 8 of instructions for 10% limit)				19	<b>0</b>
20 Depreciation (attach Form 4562)				20	<b>18,170</b>
21 Less depreciation claimed on Schedule A and elsewhere on return				21a	
22 Depletion				21b	<b>18,170</b>
23 Advertising				22	
24 Pension, profit-sharing, etc., plans				23	<b>177,807</b>
25 Employee benefit programs				24	<b>35,107</b>
26 Other deductions (attach schedule)				25	<b>100</b>
27 Total deductions. Add lines 12 through 26.				26	<b>289,507</b>
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				27	<b>1,135,996</b>
29 Less: a Net operating loss deduction (see page 9 of instr.)				28	<b>-303,282</b>
b Special deductions (Schedule C, line 20)				29a	
				29b	
				29c	
30 Taxable Income. Subtract line 29c from line 28				30	<b>-303,282</b>
31 Total tax (Schedule J, line 12)				31	<b>0</b>
32 Payments:					
a 1997 overpayment credited to 1998	<b>32a 360,516</b>			32d	<b>360,516</b>
b 1998 estimated tax payments	<b>32b</b>			32e	
c Less 1998 refund applied for on Form 4466	<b>32c</b>			32f	
e Tax deposited with Form 7004				32g	
f Credit for tax paid on undistributed capital gains (attach Form 2439)				32h	<b>360,516</b>
g Credit for Federal tax on fuels (attach Form 4136). See instructions					
33 Estimated tax penalty (see page 10 of instructions). Check if Form 2220 is attached				33	
34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35	<b>360,516</b>
36 Enter amount of line 35 you want: Credited to 1999 estimated tax ►				36	<b>360,516</b>

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

*David L. Welch*Date **2/1/2000**

Title

*GENERAL MANAGER*

Paid Preparer's Use Only

Preparer's signature

*DAVID L. WELCH*Date **1/31/00**

Check if self-employed

Preparer's social security number  
**P00049120**

Firm's name (or yours, if self-employed) and address

DELOITTE & TOUCHE LLP  
361 SOUTH MARINE DRIVE  
TAMUNING, GUAMEIN **98-0047535**

Case 1:03-cv-00045 Document 6 Filed 03/08/2004 Page 65 of 55

Exhibit "A"

GUAM

**Schedule A Cost of Goods Sold** (See page 10 of instructions.)

1	Inventory at beginning of year .....	1	538,837
2	Purchases .....	2	710,038
3	Cost of labor .....	3	
4	Additional section 263A costs (attach schedule) .....	4	
5	Other costs (attach schedule) .....	5	
6	Total. Add lines 1 through 5 .....	6	1,248,875
7	Inventory at end of year .....	7	439,735
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 .....	8	809,140

9a Check all methods used for valuing closing inventory:

(I)  Cost as described in Regulations section 1.471-3  
 (II)  Lower of cost or market as described in Regulations section 1.471-4  
 (III)  Other (Specify method used and attach explanation.) ►

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ..... ►   
 c Check if the LIFO inventory method was adopted this tax year for any goods (If checked, attach Form 970) ..... ►   
 d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ..... 

9d
----

  
 e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? .....  Yes  No  
 f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation .....  Yes  No

**Schedule C Dividends and Special Deductions** (See page 11 of instructions.)

		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock) .....		70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock) .....		80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A) .....		see Instl.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities .....		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities .....		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction .....		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction .....		80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b)) .....		100	
9	<b>Total.</b> Add lines 1 through 8. See page 12 of instructions for limitation .....			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 .....		100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1)) .....		100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3)) .....		100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11 .....			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471) .....			
15	Foreign dividend gross-up (section 78) .....			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 248(d)) .....			
17	Other dividends .....			
18	Deduction for dividends paid on certain preferred stock of public utilities .....			
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on line 4, page 1 .....			
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 .....			

**Schedule E Compensation of Officers** (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
CHOICHIRO MOTOYAMA	219-04-1007	50 %	0.01%	0.00%	18,000
RYOHEI ONOE		50 %	0.01%	0.00%	18,000
		%	%	%	
		%	%	%	
		%	%	%	
2	<b>Total compensation of officers</b> .....				36,000
3	Compensation of officers claimed on Schedule A and elsewhere on return .....				
4	<b>Subtract line 3 from line 2.</b> Enter the result here and on line 12, page 1 .....				36,000

**Schedule J Tax Computation** (See page 13 of instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563) .....	► <input type="checkbox"/>		
Important: Members of a controlled group, see instructions on page 13.				
2 a	If box on line 1 is checked, enter corp's share of \$50,000, \$25,000, & \$9,925,000 taxable inc brackets (in that order):	(1) \$ <input type="text"/> (2) \$ <input type="text"/> (3) \$ <input type="text"/>		
b	Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) .....	\$ <input type="text"/>		
	(2) Additional 3% tax (not more than \$100,000) .....	\$ <input type="text"/>		
3	Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 13) .....	► <input type="checkbox"/>		
4 a	Foreign tax credit (attach Form 1118) .....	4a 0		
b	Possessions tax credit (attach Form 5735) .....	4b		
c	Check: <input type="checkbox"/> Nonconventional source fuel credit □ QEVI credit (attach Form 8834) .....	4c		
d	General business credit. Enter here & check which forms are attached: <input type="checkbox"/> 3800 <input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826 <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847 <input type="checkbox"/> 8861	4d		
e	Credit for prior year minimum tax (attach Form 8827) .....	4e		
5	Total credits. Add lines 4a through 4e. ....	5		
6	Subtract line 5 from line 3 .....	6		
7	Personal holding company tax (attach Schedule PH (Form 1120)) .....	7		
8	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 .....	8		
9	Alternative minimum tax (attach Form 4626) .....	9		
10	Add lines 6 through 9 .....	10		
11	Qualified zone academy bond credit (attach Form 8860) .....	11		
12	Total tax. Subtract line 11 from line 10. Enter here & on line 31, page 1 .....	12	0	

**Schedule K Other Information** (See page 15 of instructions.)

	Yes	No	Yes	No
1	Check method of accounting:			
a	<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Accrual		
c	<input type="checkbox"/> Other (specify) ►			
2	See page 17 of the instructions and state the principal:			
a	Business activity code no. (NEW) ► <u>448150</u>			
b	Business activity ► <u>SALES</u>			
c	Product or service ► <u>APPAREL &amp; ACCES</u>			
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) ....			
	If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ....			
	If "Yes," enter employer identification number and name of the parent corporation ►			
5	At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) ....			
	If "Yes," attach a schedule showing name and identifying no. (Do not include any information already entered in 4 above.) Enter percentage owned ►			
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316.) ....			
	If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.			
7	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) ....			
	If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ►			
8	At any time during the 1998 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? ....			
	If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country ►			
9	During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520 ....			
10	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"			
a	Enter percentage owned ► <u>49.99%</u>			
b	Enter owner's country ► <u>JAPAN</u>			
c	The corporation may have to file Form 5472. Enter number of Forms 5472 attached ►			
11	Check this box if the corporation issued publicly offered debt instruments with original issue discount .... ► <input type="checkbox"/>			
	If so, the corporation may have to file Form 8281.			
12	Enter the amount of tax-exempt interest received or accrued during the tax year .... ► \$			
13	If there were 35 or fewer shareholders at the end of the tax year, enter the number ►			
14	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here .... ► <input checked="" type="checkbox"/>			
15	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ► \$			

Schedule L Balance Sheets per Books		Beginning of tax year	End of tax year		
Assets		(a)	(b)	(c)	(d)
1	Cash.....		931,217		522,536
2a	Trade notes and accounts receivable .....	70,945		19,273	
b	Less allowance for bad debts .....	( )	70,945	( )	19,273
3	Inventories .....		538,837		439,735
4	U.S. government obligations .....				
5	Tax-exempt securities (see instructions) .....				
6	Other current assets (attach sch.) SEE ST...6		2,442,174		3,219,219
7	Loans to stockholders .....				
8	Mortgage and real estate loans .....				
9	Other investments (attach sch.) .....				
10a	Buildings and other depreciable assets .....	568,448		567,025	
b	Less accumulated depreciation .....	( 126,001)	442,447	( 204,478)	362,547
11a	Depletable assets .....				
b	Less accumulated depletion .....	( )	( )	( )	
12	Land (net of any amortization) .....				
13a	Intangible assets (amortizable only) .....				
b	Less accumulated amortization .....	( )	( )	( )	
14	Other assets (attach schedule) ....SEE ST...7		1,071,305		917,305
15	Total assets.....		5,496,925		5,480,615
Liabilities and Stockholders' Equity					
16	Accounts payable .....		78,083		346,686
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch.) SEE ST...8		100,382		78,094
19	Loans from stockholders .....				
20	Mortgages, notes, bonds payable in 1 year or more .....				
21	Other liabilities (attach sch.) .....				
22	Capital stock: a Preferred stock .....				
b	Common stock .....	200,040	200,040	200,040	200,040
23	Additional paid-in capital .....				
24	Retained earnings - Appropriated .....				
25	Retained earnings - Unappropriated .....		5,118,420		4,855,795
26	Adjustments to shareholder's equity .....				
27	Less cost of treasury stock .....	( )	( )	( )	
28	Total liabilities and stockholders' equity.....		5,496,925		5,480,615

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See page 16 of Instructions.)**

1	Net income (loss) per books .....	-262,625	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax .....		8	Tax-exempt interest \$	
3	Excess of capital losses over capital gains .....		STMT 10	134,516	134,516
4	Income subject to tax not recorded on books this year (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):		a	Depreciation .... \$	
a	Depreciation .....	81,124	b	Contrib carryover \$	
b	Contributions carryover .....	100	STMT 11	21,415	21,415
c	Travel and entertainment ....\$	2,850	9	Add lines 7 and 8 .....	155,931
STATEMENT	9	31,200	10	Income (line 28, pg. 1) - line 6 less line 9	-303,282
6	Add lines 1 through 5 .....	-147,351			

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1	Balance at beginning of year .....	5,118,420	5	Distributions: a Cash .....	
2	Net income (loss) per books .....	-262,625	b	Stock .....	
3	Other increases (itemize):		c	Property .....	
4	Add lines 1, 2, and 3 .....	4,855,795	6	Other decreases (itemize):	
			7	Add lines 5 and 6 .....	
			8	Balance at end of year (line 4 less line 7) .....	4,855,795

4797

Department of the Treasury  
Internal Revenue Service (99)

## Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts  
Under Sections 179 and 280F(b)(2))

► Attach to your tax return. ► See separate instructions.

OMB No. 1545-0184

1998

Attachment  
Sequence No. 27

Name(s) shown on return

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Identifying number  
98-0018893

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1998 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 10, or 20 ..... 1

## Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Desc. of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) GAIN or LOSS Subtract (f) from the sum of (d) and (e)	(h) 28% RATE GAIN or (LOSS) * (see inst. below)
SEE STATEMENT 13						-37,346	

3 Gain, if any, from Form 4684, line 39 .....

3

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 .....

4

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 .....

5

6 Gain, if any, from line 32, from other than casualty or theft .....

6

7 Combine lines 2 through 6 in columns (g) and (h).

-37,346

Enter gain or (loss) here, and on the appropriate line as follows:

Partnerships - Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below.

S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7, column (g) is a gain and the S corporation is subject to the capital gains tax.

All others - If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions) .....

8

9 Subtract line 8 from line 7. For column (g) only, if the result is zero or less, enter -0-.

9

Enter here and on the appropriate line(s) as follows (see instructions): .....

S corporations - Enter only the gain in column (g) on Schedule D (Form 1120S), line 14 and skip lines 11 and 12 below.

All others - If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below, and enter the gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D.

\* Corporations (other than S corporation) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain. Use column (h) only to report pre-1998 28% rate gain (or loss) from a 1997-98 fiscal year partnership or S corporation.

## Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

LEASEHOLD IMPROVEMENTS	4/30/99	4/30/99		8,930	-8,930	

11 Loss, if any, from line 7, column (g) .....

11

-37,346

12 Gain, if any, from line 7, column (g) or amount from line 8, column (g) if applicable .....

12

13 Gain, if any, from line 31 .....

13

14 Net gain or (loss) from Form 4684, lines 31 and 38a .....

14

15 Ordinary gain from installment sales from Form 6252, line 25 or 38 .....

15

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 .....

16

17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see Instructions) .....

17

18 Combine lines 10 through 17 in column (g).  
Enter gain or (loss) here, and on the appropriate line as follows: .....

18

-46,276

a For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed.

b For individual returns:

(1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions .....

18b(1)

(2) Redetermine the gain or (loss) on line 18, excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 .....

18b(2)

## (Including Information on Listed Property)

1998

Attach. Seq. No. 67

See separate instructions.

Attach this form to your return.

Name(s) shown on return SUN MOTOYAMA INT'L GUAM, INC.	Business or activity to which this form relates SALES	Identifying number 98-0018893
----------------------------------------------------------	----------------------------------------------------------	----------------------------------

## Part I Election To Expense Certain Tangible Property (Section 179) (NOTE: If you have any "Listed Property," complete Part V before you complete Part I.)

1 Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	18500.00
2 Total cost of section 179 property placed in service. See page 2 of the instructions	2	20767.50
3 Threshold cost of section 179 property before reduction in limitation	3	200000.00
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.00
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	18500.00

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6	0.00	0.00
	0.00	0.00

7 Listed property. Enter amount from line 27	7	0.00
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0.00
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	0.00
10 Carryover of disallowed deduction from 1997. See page 3 of the instructions	10	0.00
11 Business income limitation. Enter the smaller of business income or line 5 (see instructions)	11	18500.00
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0.00
13 Carryover of disallowed deduction to 1999. Add lines 9 and 10, less line 12	13	0.00

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

## Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1998 Tax Year (Do Not Include Listed Property.)

## Section A - General Asset Account Election

14 If you are making the election under section 168(l)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions

## Section B - General Depreciation System (GDS) (See page 3 of the instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15 a 3-year property		0.00	3.0 yrs	HY	200DB	0.00
b 5-year property		20767.50	5.0 yrs	HY	200DB	4153.50
c 7-year property		0.00	7.0 yrs	HY	200DB	0.00
d 10-year property		0.00	10.0 yrs	HY	200DB	0.00
e 15-year property		0.00	15.0 yrs	HY	150DB	0.00
f 20-year property		0.00	20.0 yrs	HY	150DB	0.00
g 25-year property		0.00	25.0 yrs	HY	S/L	0.00
h Residential rental property		0.00	27.5 yrs	MM	S/L	0.00
		0.00	27.5 yrs	MM	S/L	0.00
i Nonresidential real property	(attachment)	27394.50	39.0 yrs	MM	S/L	355.08
		0.00				0.00

## Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions.)

16 a Class life		0.00			S/L	0.00
b 12-year		0.00	12.0 yrs		S/L	0.00
c 40-year		0.00	40.0 yrs	MM	S/L	0.00

## Part III Other Depreciation (Do Not Include Listed Property) (See page 6 of the instructions.)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 1998	17	12242.77
18 Property subject to section 168(f)(1) election	18	0.00
19 ACRS and other depreciation	19	0.00

## Part IV Summary (See page 6 of the instructions.)

20 Listed property. Enter amount from line 26	20	1418.69
21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	18170.04
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	0.00

**Part V Listed Property--Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement**

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A--Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)**

23a Do you have evidence to support the business use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No					23b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No			
(a) Type of property	(b) Placed in service	(c) Bus. use %	(d) Cost or other basis	(e) Basis for depreciation	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 7 of the instructions.):								
			0.00	0.00			0.00	0.00
			0.00	0.00			0.00	0.00
(attachment)			30388.00	8329.00			1418.69	0.00
25 Property used 50% or less in a qualified business use (See page 7 of the instructions.):								
			0.00	0.00			0.00	
			0.00	0.00			0.00	
			0.00	0.00			0.00	
26 Add amounts in column (h). Enter the total here and on line 20, page 1					26	1418.69		
27 Add amounts in column (i). Enter the total here and on line 7, page 1					27	0.00		

**Section B--Information on Use of Vehicles**

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
28 Total business/investment miles driven during the year (DO NOT include commuting miles)						
29 Total commuting miles driven during the year						
30 Total other personal (noncommuting) miles driven						
31 Total miles driven during the year. Add lines 28 through 30						
32 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
33 Was the vehicle used primarily by a more than 5% owner or related person?						
34 Is another vehicle available for personal use?						

**Section C--Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 9 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 9 of instructions Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.		

**Part VI Amortization**

	(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Period or Pct	(f) Amortization for this year
40 Amortization of costs that begins during your 1998 tax year:			0.00			0.00
			0.00			0.00
41 Amortization of costs that began before 1998				41		3906.03
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return				42		3906.03

KGA

**Depreciation and Amortization**  
Attachment

## 15 General Depreciation System (GDS):

(a) Classification of property	(b) Date	(c) Basis for depreciation	(d) Rec period	(e) Con- vention	(f) Method	(g) Depreciation deduction
i Nonresidential	04/30/1999	8930.50	39	MM	S/L	0
i Nonresidential	01/14/1999	18464.00	39	MM	S/L	355
		27394				355

Depreciation and Amortization  
Attachment

24 Property used more than 50% in a qualified business use:

(a) Type of property	(b) Placed in service	(c) Bus use %	(d) Cost or other Basis	(e) Basis for depreciation	(f) Recov period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected 179 cost
COMPAQ	01/01/97	100	1120.00	1120.00	05 00	MF200	215	0.00
COMPAQ COM	12/18/96	100	6343.00	3564.00	05 00	MF200	684	0.00
CPU BACK-U	03/01/97	100	1295.00	1295.00	05 00	MF200	249	0.00
EPSON CPU	06/29/94	100	1875.00	0.00	05 00	MF200	0	0.00
EPSON PRIN	01/12/94	100	800.00	0.00	05 00	MF200	0	0.00
NEC READY	06/29/94	100	450.00	0.00	05 00	MF200	0	0.00
OTHER - EP	01/26/96	100	1500.00	0.00	05 00	MF200	0	0.00
OTHER - HP	02/27/96	100	7190.00	0.00	05 00	MF200	0	0.00
OTHER - HP	04/26/96	100	3155.00	645.00	05 00	MF200	74	0.00
OTHER - HP	01/26/96	100	1750.00	0.00	05 00	MF200	0	0.00
OTHER - HP	07/29/96	100	1705.00	1705.00	05 00	MF200	196	0.00
TOSHIBA MU	11/01/97	100	3205.00	0.00	05 00	MF200	0	0.00
							1419	0
			30388	8329				

**Form 1118**  
(Rev. January 1999)

Internal Revenue Service  
Department of the Treasury

For calendar year

, or other tax year beginning

8/01/1998 and ending

7/31/1999

OMB No. 1545-0122

Employee Identification number

**SUN MOTOYAMA INTERNATIONAL GUAM, INC.**

Complete this form for credit for taxes paid on the categories of income listed below. See page 2 of the instructions for descriptions. Also, see Specific Instructions on page 5.

Passive Income  
 High Withholding Tax Interest  
 Financial Services Income  
 Shipping Income

Dividends from a DISC or Former DISC  
 Taxable Income Attributable To Foreign Trade Income  
 Certain Distributions From a FSC or Former FSC  
 Dividends From Each Noncontrolled Section 902 Corporation:

Name of Foreign Corporation

Country of Incorporation

**Schedule A Income or (Loss) Before Adjustments** (Report all amounts in U.S. dollars. See Specific Instructions on page 5.)

Gross Income or (Loss) From Sources Outside the United States (INCLUDE Foreign Branch Gross Income here and on Schedule F)						
1. Foreign Country or U.S. Possession (Enter two-letter code from page 11 of instr.) Use a separate line for each.)*	2. Deemed Dividends (see instr.)	3. Other Dividends	4. Interest	5. Gross Rents, Royalties, and License Fees	6. Gross Income From Performance of Services	7. Other (attach schedule)
A GQ	(a) Exclude gross-up (b) Gross-up (sec. 78)	(a) Exclude gross-up (b) Gross-up (sec. 78)	154,378			154,378
B						
C						
D						
E						
F						
G						
<b>Totals</b> (add lines A thru G)			154,378			154,378

\*For section 883(b) income, use a single line and enter 883(b)."

**Deductions (INCLUDE Foreign Branch Deductions here and on Schedule F)**

9. Definitely Allocable Deductions				10. Apportioned Share of Deductions Not Definitely Allocable (enter amount from applicable line of Schedule H, Part II, column (d))	11. Total Deductions (add columns 9(e) and 10)	12. Total Income or (Loss) Before Adjustments (subtract column 11 from column 8)
(a) Depreciation, Depletion, and Amortization	(b) Other Expenses	(c) Expenses Related to Gross Income From Performance of Services	(d) Other Definitely Allocable Deductions	(e) Total Definitely Allocable Deductions (add columns 9 through 10)		
A						
B						
C						
D						
E						
F						
G						
<b>Tot.</b>						154,378

KFA For Paperwork Reduction Act Notice, see page 1 of the Instructions.

**Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars)**
**Part I - Foreign Taxes Paid, Accrued, and Deemed Paid** (See page 5 of instructions.)

1. Credit is Claimed for Taxes:		2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)						3. Tax Deemed Paid (from Schedule C - Part I, column 10, columns 2a through 2g) Paid or Accrued (add Part II, column 8(b), and Part III, column 6)	
<input checked="" type="checkbox"/> Paid	<input type="checkbox"/> Accrued	Tax Withheld at Source on:						Other Foreign Taxes Paid or Accrued on:	
		(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 653(b) Income	(e) Foreign Income	(f) Services Income	(g) Other	(h) Total Foreign Taxes Paid or Accrued (add columns 2a through 2g)
A VARIOUS			20,627						20,627
B									
C									
D									
E									
F									
G									
<b>Totals (add lines A through G)</b>			<b>20,627</b>						<b>20,627</b>

**Part II - Separate Credit Limitation** (Complete a separate Part II for each applicable category of income.)

1 Total foreign taxes paid or accrued (total from Part I, column 2(h))	20,627
2 Total taxes deemed paid (total from Part I, column 3)	
3 Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)	
4 Total carryover of foreign taxes (attach schedule showing computation in detail - see page 6 of the instructions)	
5 Total foreign taxes (combine lines 1 through 4)	
6 Enter the amount from the applicable column of Schedule J, Part I, line 11. (See instructions.) If Schedule J is not required to be completed, enter the result from the "Totals" line of column 12 of the applicable Schedule A	
7a Total taxable income from all sources (enter taxable income from the corporation's tax return)	
b Adjustments to line 7a. (See page 6 of instructions.)	
c Subtract line 7b from line 7a	
8 Divide line 7c by line 7c. Enter the resulting fraction as a decimal. (See instructions.) If line 6 is greater than line 7c, enter 1	
9 Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus possessions tax credit determined under section 936 or 30A)	
10 Credit limitation (multiply line 8 by line 9). (See page 6 of instructions.)	
11 Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)	

**Part III - Summary of Separate Credit Limitations** (Enter amounts from Part I, line 11 for each applicable income category. Do not complete for section 901(b) income.)

1 Credit for taxes on passive income	
2 Credit for taxes on high withholding tax interest	
3 Credit for taxes on financial services income	
4 Credit for taxes on shipping income	
5 Credit for taxes on dividends from each noncontrolled section 902 corporation (combine all such credits on this line)	
6 Credit for taxes on dividends from a DISC or former DISC	
7 Credit for taxes on taxable income attributable to foreign trade income	
8 Credit for taxes on certain distributions from a FSC or former FSC	
9 Credit for taxes on General Limitation Income	
10 Credit for taxes on income re-sourced by treaty (combine all such credits on this line)	
11 Total (add lines 1 through 10)	
12 Reduction in credit for international boycott operations (see page 6 of instructions)	
13 Total foreign tax credit (subtract line 12 from line 11). Enter here and on the appropriate line of the corporation's tax return	

## ALTERNATIVE MINIMUM TAX

## Form 1118

(Rev. January 1999)

Internal Revenue Service

Department of the Treasury

OMB No. 1545-0122

Employer Identification Number

For calendar year or other tax year beginning

8/01/1998, and ending 7/31/1999

98-0018893

Foreign Tax Credit - Corporations  
► Attach to the corporation's tax return.

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Complete this form for credit for taxes paid on the categories of income listed below. See page 2 of the instructions for descriptions. Also, see Specific Instructions on page 5.

Important: Complete a SEPARATE Form 1118 for each applicable income category. Check only one box on each form.

Passive Income  
 High Withholding Tax Interest  
 Financial Services Income  
 Shipping Income

Dividends from a DISC or Former DISC  
 Taxable Income Attributable To Foreign Trade Income  
 Certain Distributions From a FSC or Former FSC  
 Dividends From Each Noncontrolled Section 802 Corporation:

Name of Foreign Corporation ►

Name of Corporation ►

Country of Incorporation ►

## Schedule A Income or (Loss) Before Adjustments (Report all amounts in U.S. dollars. See Specific Instructions on page 5.)

## 1. Foreign Country or U.S. Possession

(Enter two-letter code from page 11 of instr.) Use a separate line for each.)\*

1. Foreign Country or U.S. Possession (Enter two-letter code from page 11 of instr.) Use a separate line for each.)*	2. Deemed Dividends (see instr.)	3. Other Dividends (a) Exclude gross-up (b) Gross-up (sec. 78) (a) Exclude gross-up (b) Gross-up (sec. 78)	4. Interest 154,378	5. Gross Rents, Royalties, and License Fees 154,378	6. Gross Income From Performance of Services 154,378	7. Other (attach schedule) 154,378	8. Total (add columns 2a through 7) 154,378
A GQ							
B							
C							
D							
E							
F							
G							
<b>Totals (add lines A thru G)</b>			<b>154,378</b>				<b>154,378</b>

\*For section 863(b) income, use a single line and enter "863(b)." ▶

## Deductions (INCLUDE Foreign Branch Deductions here and on Schedule F)

## 9. Definitely Allocable Deductions

## Rental, Royalty, and Licensing Expenses

(a) Depreciation, Depletion, and Amortization  
(b) Other Expenses  
Gross Income From Performance of Services

(a) Depreciation, Depletion, and Amortization	(b) Other Expenses Gross Income From Performance of Services	(c) Expenses Related to Allocable Deductions	(d) Other Definitely Allocable Deductions	(e) Total Definitely Allocable Deductions (add columns 9a through 9c)	10. Apportioned Share of Deductions Not Definitely Allocable (enter amount from applicable line of Schedule H, Part II, column (d))	11. Total Deductions (add columns 9(e) and 10)	12. Total Income or (Loss) Before Adjustments (subtract column 11 from column 8)
A							
B							
C							
D							
E							
F							
G							
<b>Tot.</b>					<b>154,378</b>		<b>154,378</b>

KFA For Paperwork Reduction Act Notice, see page 1 of the Instructions.

**Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)**
**Part I - Foreign Taxes Paid, Accrued, and Deemed Paid (See page 5 of instructions.)**

1. Credit is Claimed for Taxes:		2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)						3. Tax Deemed Paid (from Schedule C - Part I, column 10, Part II, column 8(b), and Part III, column 8)	
<input checked="" type="checkbox"/> Paid	<input type="checkbox"/> Accrued	Tax Withheld at Source on:		Other Foreign Taxes Paid or Accrued on:					
		(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 85(b) Income	(e) Foreign Income	(f) Services Income	(g) Other	(h) Total Foreign Taxes Paid or Accrued (add columns 2a through 2g)
A	VARIOUS								20,627
B			20,627						20,627
C									
D									
E									
F									
G									
<b>Totals (add lines A through G)</b>			20,627						20,627
<b>Part II - Separate Credit Limitation (Complete a separate Part II for each applicable category of income.)</b>									
1	Total foreign taxes paid or accrued (total from Part I, column 2(h))								20,627
2	Total taxes deemed paid (total from Part I, column 3)								
3	Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)								
4	Total carryover of foreign taxes (attach schedule showing computation in detail - see page 6 of the instructions)								
5	Total foreign taxes (combine lines 1 through 4)								
6	Enter the amount from the applicable column of Schedule J, Part I, line 11. (See Instructions.) If Schedule J is not required to be completed, enter the result from the "Totals" line of column 12 of the applicable Schedule A								
7a	Total taxable income from all sources (enter taxable income from the corporation's tax return)								
b	Adjustments to line 7a. (See page 6 of instructions.)								
c	Subtract line 7b from line 7a								
8	Divide line 6 by line 7c. Enter the resulting fraction as a decimal. (See Instructions.) If line 6 is greater than line 7c, enter 1								
9	Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(c)) minus possessions tax credit determined under section 936 or 30A)								
10	Credit limitation (multiply line 8 by line 9). (See page 6 of instructions.)								
11	Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)								
<b>Part III - Summary of Separate Credit Limitations (Enter amounts from Part I, line 11 for each applicable income category. Do not complete for section 901(b) income.)</b>									
1	Credit for taxes on passive income								
2	Credit for taxes on high withholding tax interest								
3	Credit for taxes on financial services income								
4	Credit for taxes on shipping income								
5	Credit for taxes on dividends from each noncontrolled section 802 corporation (combine all such credits on this line)								
6	Credit for taxes on dividends from a DISC or former DISC								
7	Credit for taxes on taxable income attributable to foreign trade income								
8	Credit for taxes on certain distributions from a FSC or former FSC								
9	Credit for taxes on General Limitation Income								
10	Credit for taxes on income re-sourced by treaty (combine all such credits on this line)								
11	Total (add lines 1 through 10)								
12	Reduction in credit for international boycott operations (see page 6 of instructions)								
13	Total foreign tax credit (subtract line 12 from line 11) Enter here and on the appropriate line of the corporation's tax return								

Department of the Treasury  
Internal Revenue Service

1998

► See separate instructions.  
► Attach to the corporation's tax return.

Name	Employer identification number	
SUN MOTOYAMA INTERNATIONAL GUAM, INC.	98-0018893	
1 Taxable income or (loss) before net operating loss deduction.	1	-303,282
2 Adjustments and preferences:		
a Depreciation of post-1986 property	2a	-1,838
b Amortization of certified pollution control facilities	2b	
c Amortization of mining exploration and development costs	2c	
d Amortization of circulation expenditures (personal holding companies only)	2d	
e Adjusted gain or loss	2e	-64
f Long-term contracts	2f	
g Installment sales	2g	
h Merchant marine capital construction funds	2h	
i Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i	
j Tax shelter farm activities (personal service corporations only)	2j	
k Passive activities (closely held corporations and personal service corporations only)	2k	
l Loss limitations	2l	
m Depletion	2m	
n Tax-exempt interest from specified private activity bonds	2n	
o Intangible drilling costs	2o	
p Accelerated depreciation of real property (pre-1987)	2p	
q Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)	2q	
r Other adjustments	2r	
s Combine lines 2a through 2r	2s	-1,902
3 Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2s	3	-305,184
4 Adjusted current earnings (ACE) adjustment:		
a Enter the corporation's ACE from line 10 of the worksheet on page 11 of the instructions	4a	-305,971
b Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see examples beginning on page 5 of the instructions)	4b	-787
c Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	590
d Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 6 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	17,537
e ACE adjustment:		
• If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.	4e	-590
• If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.		
5 Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax	5	-305,774
6 Alternative tax net operating loss deduction (see page 6 of the instructions)	6	
7 Alternative minimum taxable income. Subtract line 6 from line 5 If the corporation held a residual interest in a REMIC, see page 6 of the instructions	7	-305,774

For Paperwork Reduction Act Notice, see separate instructions.

Form 4626 (1998)

8	Enter the amount from line 7 (alternative minimum taxable income) .....	8	-305,774
9	<b>Exemption phase-out computation</b> (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a	Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0- .....	9a	0
b	Multiply line 9a by 25% (.25) .....	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0- .....	9c	0
10	Subtract line 9c from line 8. If zero or less, enter -0- .....	10	0
11	Multiply line 10 by 20% (.20) .....	11	
12	Alternative minimum tax foreign tax credit. See page 7 of the instructions .....	12	
13	Tentative minimum tax. Subtract line 12 from line 11 .....	13	0
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit .....	14	0
15	<b>Alternative minimum tax.</b> Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9). If zero or less, enter -0- .....	15	0

## Adjusted Current Earnings Worksheet

► See ACE Worksheet Instructions (which begin on page 6).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626 .....	1	-305,184
2	ACE depreciation adjustment:		
a	AMT depreciation .....	2a	20,008
b	ACE depreciation:		
(1)	Post-1993 property .....	2b(1)	16,496
(2)	Post-1989, pre-1994 property .....	2b(2)	3,121
(3)	Pre-1990 MACRS property .....	2b(3)	1,178
(4)	Pre-1990 original ACRS property .....	2b(4)	
(5)	Property described in sections 168(f)(1) through (4) .....	2b(5)	
(6)	Other property .....	2b(6)	
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6) .....	2b(7)	20,795
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a .....	2c	-787
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income .....	3a	
b	Death benefits from life insurance contracts .....	3b	
c	All other distributions from life insurance contracts (including surrenders) .....	3c	
d	Inside buildup of undistributed income in life insurance contracts .....	3d	
e	Other items (see Regulations sections 1.56(g) - 1(c)(6)(ii) through (ix) for a partial list) .....	3e	
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e .....	3f	0
4	Disallowance of items not deductible from E&P:		
a	Certain dividends received .....	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247 .....	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k) .....	4c	
d	Nonpatronage dividends that are paid and deductible under section 1382(c) .....	4d	
e	Other items (see Regulations sections 1.56(g) - 1(d)(3)(i) and (ii) for a partial list) .....	4e	
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e .....	4f	0
5	Other adjustments based on rules for figuring E&P:		
a	Intangible drilling costs .....	5a	
b	Circulation expenditures .....	5b	
c	Organizational expenditures .....	5c	
d	LIFO inventory adjustments .....	5d	
e	Installment sales .....	5e	
f	Total other E&P adjustments. Combine lines 5a through 5e .....	5f	0
6	Disallowance of loss on exchange of debt pools .....	6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts .....	7	
8	Depletion .....	8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property .....	9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626 ...	10	-305,971

Information Return of a 25% Foreign-Owned U.S. Corporation  
or a Foreign Corporation Engaged in a U.S. Trade or Business

Department of the Treasury  
Internal Revenue Service

(Under Sections 6038A and 6038C of the Internal Revenue Code)  
For tax year of the reporting corporation beginning 8/01, 19 98, and ending 7/31, 19 99

Note: Enter all information in the English and money items in U.S. dollars.

**Part I Reporting Corporation** (See instructions.) All reporting corporations must complete Part I.

1a Name of reporting corporation <b>SUN MOTOYAMA INTERNATIONAL GUAM, INC.</b>	1b Employer identification number <b>98-0018893</b>
Number, street, and room or suite no. (if a P.O. box, see instructions) <b>P.O. BOX 8139</b>	1c Total assets <b>\$ 5,480,615</b>
City, state or province, ZIP or postal code, and country <b>TAMUNING, GU 96931</b>	1d Principal business activity <b>SALES</b>
1e Total value of gross payments made or received (see instructions) <b>\$ 713,496</b>	1f Total number of Forms 5472 filed for the tax year <b>3</b>

1h Country of incorporation <b>GUAM</b>	1i Country(ies) under whose laws the reporting corporation files an income tax return as a resident <b>GUAM</b>	1j Principal country(ies) where business is conducted <b>GUAM</b>
--------------------------------------------	-----------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

**Part II 25% Foreign Shareholder** (See instructions.)

2a Name and address of direct 25% foreign shareholder <b>INTERNATIONAL SUN MOTOYAMA CO., LTD. 3-6-2 RINAKAICHO EDOGAWA-KU, TOKYO, JAPAN</b>	2b U.S. identifying number, if any <b>N/A</b>	
2c Principal country(ies) where business is conducted <b>JAPAN</b>	2d Country of citizenship, organization, or incorporation <b>JAPAN</b>	2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>JAPAN</b>

2f Name and address of direct 25% foreign shareholder <b>SAITUREX INVEST S.A. 5 BOULEVARD ROYAL, ROYAL ROOM, L-2449 LUXEMBOURG</b>	2g U.S. identifying number, if any <b>N/A</b>	
2h Principal country(ies) where business is conducted <b>LUXEMBOURG</b>	2i Country of citizenship, organization, or incorporation <b>LUXEMBOURG</b>	2j Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>LUXEMBOURG</b>

3a Name and address of ultimate indirect 25% foreign shareholder	3b U.S. identifying number, if any	
3c Principal country(ies) where business is conducted	3d Country of citizenship, organization, or incorporation	3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident

4a Name and address of ultimate Indirect 25% foreign shareholder	4b U.S. identifying number, if any	
4c Principal country(ies) where business is conducted	4d Country of citizenship, organization, or incorporation	4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident

**Part III Related Party** (See instructions.)

Check applicable box: Is the related party a  foreign person or  U.S. person?

All reporting corporations must complete this question and the rest of Part III.

1a Name and address of related party <b>INTERNATIONAL SUN MOTOYAMA CO., LTD. 3-6-2 RINAKAICHO EDOGAWA-KU, TOKYO, JAPAN</b>	1b U.S. identifying number, if any <b>N/A</b>
1c Principal business activity <b>RETAIL/WHOLESALE</b>	

1d Relationship - Check boxes that apply:  Related to reporting corporation  Related to 25% foreign shareholder  25% foreign shareholder

1e Principal country(ies) where business is conducted <b>JAPAN</b>	1f Country(ies) under whose laws the related party files income tax rtn. as a resident <b>JAPAN</b>
-----------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------

**Part III Monetary Transactions Between Reporting Corporations and Foreign Related Party**If reasonable estimates are used, check here ►  (See instructions.)

1 Sales of stock in trade (inventory) .....	1	0
2 Sales of tangible property other than stock in trade .....	2	0
3 Rents and royalties received (for other than intangible property rights) .....	3	0
4 Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) .....	4	0
5 Consideration received for technical, managerial, engineering, construction, scientific, or like services .....	5	0
6 Commissions received .....	6	0
7 Amounts borrowed (see instr.) a Beginning balance 50,000 b Ending balance or monthly average ► 7b	317,513	
8 Interest received .....	8	0
9 Premiums received for insurance or reinsurance .....	9	0
10 Other amounts received (see instructions) .....	10	0
<b>11 Total. Combine amounts on lines 1 through 10</b> .....	<b>11</b>	<b>317,513</b>
12 Purchases of stock in trade (inventory) .....	12	317,513
13 Purchases of tangible property other than stock in trade .....	13	0
14 Rents and royalties paid (for other than intangible property rights) .....	14	0
15 Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) .....	15	0
16 Consideration paid for technical, managerial, engineering, construction, scientific, or like services .....	16	0
17 Commissions paid .....	17	0
18 Amounts loaned (see instructions) a Beginning balance 12,470 b Ending balance or monthly average ► 18b	12,470	
19 Interest paid .....	19	0
20 Premiums paid for insurance or reinsurance .....	20	0
21 Other amounts paid (see instructions) .....	21	66,000
<b>22 Total. Combine amounts on lines 12 through 21</b> .....	<b>22</b>	<b>395,983</b>

**Part V Describe All Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party**(Attach separate sheet and check here ►  (See instructions.)**Part VI Additional Information**

All reporting corporations must complete Part VI.

1 Does the reporting corporation import goods from a foreign related party? .....  Yes  No

2a If "Yes," is the basis or inventory costs of the goods valued at greater than the customs value of the imported goods? .....  Yes  No  
If "No," do not complete the rest of Part VI.

b If "Yes," attach a statement explaining the reason or reasons for such difference.

c If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472? .....  Yes  No

Information Return of a 25% Foreign-Owned U.S. Corporation  
or a Foreign Corporation Engaged in a U.S. Trade or Business

(Under Sections 6038A and 6038C of the Internal Revenue Code)  
For tax year of the reporting corporation beginning 8/01, <sup>19</sup> 98, and ending 7/31, <sup>19</sup> 99

Note: Enter all information in the English and money items in U.S. dollars.

**Part I Reporting Corporation** (See instructions.) All reporting corporations must complete Part I.

1a Name of reporting corporation <b>SUN MOTOYAMA INTERNATIONAL GUAM, INC.</b>	1b Employer identification number <b>98-0018893</b>
Number, street, and room or suite no. (if a P.O. box, see instructions) <b>P.O. BOX 8139</b>	1c Total assets <b>\$ 5,480,615</b>
City, state or province, ZIP or postal code, and country <b>TAMUNING, GU 96931</b>	1d Principal business activity <b>SALES</b>
1e Total value of gross payments made or received (see instructions) <b>\$ 1,194,374</b>	1f Total number of Forms 5472 filed for the tax year <b>3</b>
1g Check here if this is a consolidated filing of Form 5472 ..... <input type="checkbox"/>	
1h Country of incorporation <b>GUAM</b>	1i Country(ies) under whose laws the reporting corporation files an income tax return as a resident <b>GUAM</b>
1j Principal country(ies) where business is conducted <b>GUAM</b>	

**Part II 25% Foreign Shareholder** (See instructions.)

1a Name and address of direct 25% foreign shareholder <b>INTERNATIONAL SUN MOTOYAMA CO., LTD. 3-6-2 RINAKAICHO EDOGAWA-KU, TOKYO, JAPAN</b>	1b U.S. identifying number, if any <b>N/A</b>
1c Principal country(ies) where business is conducted <b>JAPAN</b>	1d Country of citizenship, organization, or incorporation <b>JAPAN</b>
1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>JAPAN</b>	
2a Name and address of direct 25% foreign shareholder <b>SAITUREX INVEST S.A. 5 BOULEVARD ROYAL, ROYAL ROOM, L-2449 LUXEMBOURG</b>	2b U.S. identifying number, if any <b>N/A</b>
2c Principal country(ies) where business is conducted <b>LUXEMBOURG</b>	2d Country of citizenship, organization, or incorporation <b>LUXEMBOURG</b>
2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>LUXEMBOURG</b>	
3a Name and address of ultimate indirect 25% foreign shareholder	3b U.S. identifying number, if any
3c Principal country(ies) where business is conducted	3d Country of citizenship, organization, or incorporation
3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	
4a Name and address of ultimate indirect 25% foreign shareholder	4b U.S. identifying number, if any
4c Principal country(ies) where business is conducted	4d Country of citizenship, organization, or incorporation
4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	

**Part III Related Party** (See instructions.)

Check applicable box: Is the related party a  foreign person or  U.S. person?

All reporting corporations must complete this question and the rest of Part III.

1a Name and address of related party <b>MERCURY U.S.A., INC. 693 KAWAIHAO ST., HONOLULU, HAWAII 96813</b>	1b U.S. identifying number, if any <b>99-0278124</b>
1c Principal business activity <b>SALES</b>	

1d Relationship - Check boxes that apply:  Related to reporting corporation  Related to 25% foreign shareholder  25% foreign shareholder

1e Principal country(ies) where business is conducted <b>U.S.A.</b>	1f Country(ies) under whose laws the related party files income tax rtn. as a resident <b>U.S.A.</b>
------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------

**Part V Monetary Transactions Between Reporting Corporations and Foreign Related Party**(If reasonable estimates are used, check here ►  (See instructions.)

1 Sales of stock in trade (inventory) .....	1	0
2 Sales of tangible property other than stock in trade .....	2	0
3 Rents and royalties received (for other than intangible property rights) .....	3	0
4 Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) .....	4	0
5 Consideration received for technical, managerial, engineering, construction, scientific, or like services .....	5	0
6 Commissions received .....	6	0
7 Amounts borrowed (see instr.)      a Beginning balance .....	b Ending balance or monthly average ►	7b 81,464
8 Interest received .....	8	0
9 Premiums received for insurance or reinsurance .....	9	0
10 Other amounts received (see instructions) .....	10	0
<b>11 Total. Combine amounts on lines 1 through 10</b> .....	<b>11</b>	<b>81,464</b>
12 Purchases of stock in trade (inventory) .....	12	0
13 Purchases of tangible property other than stock in trade .....	13	0
14 Rents and royalties paid (for other than intangible property rights) .....	14	0
15 Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) .....	15	0
16 Consideration paid for technical, managerial, engineering, construction, scientific, or like services .....	16	0
17 Commissions paid .....	17	0
18 Amounts loaned (see instructions)      a Beginning balance 699,256      b Ending balance or monthly average ►	18b	1,112,910
19 Interest paid .....	19	0
20 Premiums paid for insurance or reinsurance .....	20	0
21 Other amounts paid (see instructions) .....	21	0
<b>22 Total. Combine amounts on lines 12 through 21</b> .....	<b>22</b>	<b>1,112,910</b>

**Part VI Describe All Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party**(Attach separate sheet and check here ►  (See instructions.)**Part VII Additional Information**

All reporting corporations must complete Part VI.

1 Does the reporting corporation import goods from a foreign related party? .....  Yes  No

2a If "Yes," is the basis or inventory costs of the goods valued at greater than the customs value of the imported goods? .....  Yes  No  
If "No," do not complete the rest of Part VI.

b If "Yes," attach a statement explaining the reason or reasons for such difference.

c If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472? .....  Yes  No

Information Return of a 25% Foreign-Owned U.S. Corporation  
or a Foreign Corporation Engaged in a U.S. Trade or Business

(Under Sections 6038A and 6038C of the Internal Revenue Code)

For tax year of the reporting corporation beginning 8/01, 19 98, and ending 7/31, 19 99

Note: Enter all information in the English and money items in U.S. dollars.

**Part I Reporting Corporation** (See instructions.) All reporting corporations must complete Part I.

1a Name of reporting corporation <b>SUN MOTOYAMA INTERNATIONAL GUAM, INC.</b>	1b Employer identification number <b>98-0018893</b>
Number, street, and room or suite no. (if a P.O. box, see instructions) <b>P.O. BOX 8139</b>	1c Total assets <b>\$ 5,480,615</b>
City, state or province, ZIP or postal code, and country <b>TAMUNING, GU 96931</b>	1d Principal business activity <b>SALES</b>
1e Total value of gross payments made or received (see instructions) <b>\$ 836,274</b>	1f Total number of Forms 5472 filed for the tax year <b>3</b>
1h Country of incorporation <b>GUAM</b>	1i Country(ies) under whose laws the reporting corporation files an income tax return as a resident <b>GUAM</b>
1j Principal country(ies) where business is conducted <b>GUAM</b>	

**Part II 25% Foreign Shareholder** (See instructions.)

1a Name and address of direct 25% foreign shareholder <b>INTERNATIONAL SUN MOTOYAMA CO., LTD. 3-6-2 RINAKAICHO EDOGAWA-KU, TOKYO, JAPAN</b>	1b U.S. identifying number, if any <b>N/A</b>
1c Principal country(ies) where business is conducted <b>JAPAN</b>	1d Country of citizenship, organization, or incorporation <b>JAPAN</b>
1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>JAPAN</b>	
2a Name and address of direct 25% foreign shareholder <b>SAITUREX INVEST S.A. 5 BOULEVARD ROYAL, ROYAL ROOM, L-2449 LUXEMBOURG</b>	2b U.S. identifying number, if any <b>N/A</b>
2c Principal country(ies) where business is conducted <b>LUXEMBOURG</b>	2d Country of citizenship, organization, or incorporation <b>LUXEMBOURG</b>
2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>LUXEMBOURG</b>	
3a Name and address of ultimate indirect 25% foreign shareholder	3b U.S. identifying number, if any
3c Principal country(ies) where business is conducted	3d Country of citizenship, organization, or incorporation
3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	

4a Name and address of ultimate indirect 25% foreign shareholder	4b U.S. identifying number, if any
4c Principal country(ies) where business is conducted	4d Country of citizenship, organization, or incorporation
4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	

**Part III Related Party** (See instructions.)Check applicable box: Is the related party a  foreign person or  U.S. person?

All reporting corporations must complete this question and the rest of Part III.

1a Name and address of related party <b>PLOWDEN (HONG KONG) LTD. RM 316, 3F HANKOW CENTRE, 5-15 HANKOW RD, T.S.T., KOWLOON</b>	1b U.S. identifying number, if any <b>N/A</b>
1c Principal business activity <b>SALES</b>	

1d Relationship - Check boxes that apply:  Related to reporting corporation  Related to 25% foreign shareholder  25% foreign shareholder

1e Principal country(ies) where business is conducted <b>HONG KONG</b>	1f Country(ies) under whose laws the related party files income tax rtn. as a resident <b>HONG KONG</b>
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**Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party**(If reasonable estimates are used, check here ►  (See instructions.)

1 Sales of stock in trade (inventory) .....	1	0
2 Sales of tangible property other than stock in trade .....	2	0
3 Rents and royalties received (for other than intangible property rights) .....	3	0
4 Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) .....	4	0
5 Consideration received for technical, managerial, engineering, construction, scientific, or like services .....	5	0
6 Commissions received .....	6	0
7 Amounts borrowed (see instr.) a Beginning balance .....	b Ending balance or monthly average ►	7b 0
8 Interest received .....	8	73,524
9 Premiums received for insurance or reinsurance .....	9	0
10 Other amounts received (see instructions) .....	10	0
<b>11 Total. Combine amounts on lines 1 through 10 .....</b>	<b>11</b>	<b>73,524</b>
12 Purchases of stock in trade (inventory) .....	12	0
13 Purchases of tangible property other than stock in trade .....	13	0
14 Rents and royalties paid (for other than intangible property rights) .....	14	0
15 Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) .....	15	0
16 Consideration paid for technical, managerial, engineering, construction, scientific, or like services .....	16	0
17 Commissions paid .....	17	0
18 Amounts loaned (see instructions) a Beginning balance 1,521,541 b Ending balance or monthly average ►	18b	762,750
19 Interest paid .....	19	0
20 Premiums paid for insurance or reinsurance .....	20	0
21 Other amounts paid (see instructions) .....	21	0
<b>22 Total. Combine amounts on lines 12 through 21 .....</b>	<b>22</b>	<b>762,750</b>

**Part V Describe All Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party**(Attach separate sheet and check here ►  (See instructions.)**Part VI Additional Information**

All reporting corporations must complete Part VI.

1 Does the reporting corporation import goods from a foreign related party? .....  Yes  No

2a If "Yes," is the basis or inventory costs of the goods valued at greater than the customs value of the imported goods? .....  Yes  No  
If "No," do not complete the rest of Part VI.

b If "Yes," attach a statement explaining the reason or reasons for such difference.

c If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472? .....  Yes  No

1998

## FEDERAL STATEMENTS

PAGE 1

CLIENT 36117

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0016893

**STATEMENT 1**  
**FORM 1120, LINE 5**  
**INTEREST INCOME**

INTEREST INCOME .....	\$ 256,176
<b>TOTAL</b>	<b>\$ 256,176</b>

**STATEMENT 2**  
**FORM 1120, LINE 10**  
**OTHER INCOME**

FOREIGN EXCHANGE GAIN .....	\$ 20,226
OTHER INCOME .....	47,110
<b>TOTAL</b>	<b>\$ 67,336</b>

**STATEMENT 3**  
**FORM 1120, LINE 17**  
**TAXES AND LICENSES**

FICA .....	\$ 29,628
GRIT .....	54,036
OTHER TAXES .....	536
<b>TOTAL</b>	<b>\$ 84,200</b>

**STATEMENT 4**  
**FORM 1120, LINE 19**  
**CHARITABLE CONTRIBUTIONS**

DONATIONS .....	\$ 100
DISALLOWED CONTRIBUTIONS DUE TO 10% LIMIT .....	-100
<b>TOTAL</b>	<b>\$ 0</b>

**STATEMENT 5**  
**FORM 1120, LINE 26**  
**OTHER DEDUCTIONS**

AMORTIZATION .....	\$ 3,906
BANK CHARGES .....	23,263
COMMUNICATIONS .....	17,680
DUES AND SUBSCRIPTIONS .....	7,279
INSURANCE .....	62,487
LEGAL AND PROFESSIONAL .....	24,094
MEALS, ENTERTAINMENT, CERTAIN TRAVEL .....	2,850
MISCELLANEOUS .....	13,264
OFFICE EXPENSE .....	29,399
OUTSIDE SERVICES .....	15,200

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## FEDERAL STATEMENTS

PAGE 2

CLIENT 36117

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

## STATEMENT 5 (CONTINUED)

FORM 1120, LINE 26

## OTHER DEDUCTIONS

POSTAGE .....	3,213
SUPPLIES .....	24,565
TRANSPORTATION .....	16,006
TRAVEL .....	34,103
UTILITIES .....	12,198
<b>TOTAL</b>	<b>\$ 289,507</b>

## STATEMENT 6

FORM 1120, SCHEDULE L, LINE 6

## OTHER CURRENT ASSETS

	BEGINNING	ENDING
GUAM INCOME TAX RECEIVABLE .....	\$ 322,000	\$ 381,143
INTEREST RECEIVABLE .....	0	25,660
NOTE RECEIVABLE - CURRENT .....	199,256	0
NOTES RECEIVABLE - SHORT TERM .....	1,000,000	1,100,000
OTHER ASSETS HELD FOR RESALE .....	0	317,513
PREPAID EXPENSES .....	181,762	81,042
TIME CERTIFICATE OF DEPOSIT .....	739,156	1,313,861
<b>TOTAL</b>	<b>\$ 2,442,174</b>	<b>\$ 3,219,219</b>

## STATEMENT 7

FORM 1120, SCHEDULE L, LINE 14

## OTHER ASSETS

	BEGINNING	ENDING
DEFERRED TAX ASSET .....	\$ 33,000	\$ 129,000
NOTES RECEIVABLE - LONG TERM .....	1,000,000	750,000
RENTAL DEPOSITS .....	38,305	38,305
<b>TOTAL</b>	<b>\$ 1,071,305</b>	<b>\$ 917,305</b>

## STATEMENT 8

FORM 1120, SCHEDULE L, LINE 18

## OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
FICA TAX PAYABLE .....	\$ 1,106	\$ 8,802
GROSS RECEIPTS TAX .....	5,057	4,648
RETIREMENT PLAN PAYABLE .....	0	24,920
SALARIES PAYABLE .....	90,936	34,668
WITHHOLDING TAX PAYABLE .....	3,283	5,056
<b>TOTAL</b>	<b>\$ 100,382</b>	<b>\$ 78,094</b>

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## FEDERAL STATEMENTS

PAGE 3

CLIENT 36117

SUN MOTOMAMA INTERNATIONAL GUAM, INC.

98-0018893

**STATEMENT 9**  
**FORM 1120, SCHEDULE M-1, LINE 5**  
**BOOK EXPENSES NOT DEDUCTED**

ACCRUED BONUS NOT PAID AS OF 10/15/99 .....	\$ 30,000
CLUB MEMBERSHIP .....	1,200
<b>TOTAL</b>	<b>\$ 31,200</b>

**STATEMENT 10**  
**FORM 1120, SCHEDULE M-1, LINE 7**  
**BOOK INCOME NOT ON RETURN**

GUAM INCOME TAX BENEFIT .....	\$ 134,516
<b>TOTAL</b>	<b>\$ 134,516</b>

**STATEMENT 11**  
**FORM 1120, SCHEDULE M-1, LINE 8**  
**DEDUCTIONS NOT ON BOOKS**

AMORTIZATION .....	\$ 3,906
SALE OF ASSETS ADJUSTMENT .....	17,509
<b>TOTAL</b>	<b>\$ 21,415</b>

**STATEMENT 12**  
**FORM 4626, LINE 2E**  
**ADJUSTED GAIN OR LOSS**

DESCRIPTION OF PROPERTY	DATE ACQUIRED	DATE SOLD	REG TAX ADJUSTED BASIS	AMT ADJUSTED BASIS	ADJUST-MENT
LEASEHOLD IMPROVEMENTS	VARIOUS	4/30/99	37,346	37,410	-64
				<b>\$</b>	<b>-64</b>

**STATEMENT 13**  
**FORM 4797**  
**PART I - SALES OR EXCHANGES OF CERTAIN PROPERTY HELD MORE THAN ONE YEAR**

DESCRIPTION OF PROPERTY	DATE ACQD.	DATE SOLD	SALES PRICE	DEPR. ALLOWED	COST OR BASIS	GAIN OR LOSS
CARPET	8/06/93	8/01/98		1,573	1,573	\$ 0
OFFICE CABINET	8/19/93	8/01/98		499	499	0
LEASEHOLD IMPROVEMENTS	VARIOUS	4/30/99		2,584	39,930	-37,346
					<b>\$</b>	<b>-37,346</b>

**SUN MOTOYAMA INTERNATIONAL GUAM, INC.**

EIN: 98-0018893

FORM 1120

For the Year Ended July 31, 1999

**STATEMENT 14**

**FOREIGN TAX CREDIT CARRYOVER:**

<u>TAX PERIOD</u>	<u>FOREIGN TAXES PAID</u>	<u>AMOUNT USED IN PRIOR YEAR</u>	<u>AMOUNT USED IN CURRENT YEAR</u>	<u>AVAILABLE AMOUNT</u>
7/31/98	14,289	14,289		0
7/31/99	20,627		0	20,627
<b>TOTAL</b>				<b>20,627</b>

**ALTERNATIVE MINIMUM TAX FOREIGN TAX CREDIT CARRYOVER:**

<u>TAX PERIOD</u>	<u>FOREIGN TAXES PAID</u>	<u>AMOUNT USED IN PRIOR YEAR</u>	<u>AMOUNT USED IN CURRENT YEAR</u>	<u>AVAILABLE AMOUNT</u>
7/31/98	14,289	9,526		4,763
7/31/99	20,627		0	20,627
<b>TOTAL</b>				<b>25,390</b>

SUN MOTOYAMA INT'L GUAM, INC.  
DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Thru Depreciation	Prior Depreciation	Accum This Run	Depreciation to Date	Current Year	Curr Accum Depreciation	Accum Key
<b>Book: Tax FY: July</b>														
000001	000	10/18/93	189	MF200	P 07 00	189	0	07/98	0	0	0	0	0	r
			DISHWASHER, CONDO											
000002	000	11/01/89	10673	MF200	P 07 00	0	10673	07/99	10673	0	0	0	10673	s
			5/90 F&F											
000003	000	11/30/90	4161	MF200	P 07 00	0	4161	07/98	4161	0	0	0	4161	s
			5/91 7YR OFFICE F&F											
000004	000	08/01/90	26793	MF200	P 07 00	0	26793	07/98	26793	0	0	0	26793	s
			ETRO #2 F&F											
000008	000	09/06/93	1573	MF200	P 07 00	1573	0	08/98	0	0	0	0	0	dr
			CARPET INSTALL. CONDO											
000009	000	10/18/93	293	MF200	P 07 00	293	0	07/98	0	0	0	0	0	r
			ELECTRIC RANGE, CONDO											
000010	000	08/19/93	499	MF200	P 07 00	499	0	08/98	0	0	0	0	0	dr
			TOPPY'S OFFICE CABINET											
000011	000	07/05/95	3200	MF200	P 07 00	3200	0	07/98	0	0	0	0	0	r
			SHELVING											
000012	000	07/18/95	3600	MF200	P 07 00	3600	0	07/98	0	0	0	0	0	r
			OFFICE PARTITION											
000013	000	08/24/95	3450	MF200	P 07 00	3450	0	07/98	0	0	0	0	0	r
			DRAWER CABINET (ETRO)											
000014	000	12/13/95	1100	MF200	P 07 00	1100	0	07/98	0	0	0	0	0	r
			SHELVING UNIT											
000015	000	11/01/89	11048	MF200	P 05 00	0	11048	07/95	11048	0	0	0	11048	s
			5/90 M&E											
000016	000	03/27/91	1125	MF200	P 05 00	0	1125	07/98	1125	0	0	0	1125	s
			91 5 YR ASSETS											
000017	000	06/30/91	310	MF200	P 07 00	310	0	01/98	0	0	0	0	0	rs
			MUSIC SYSTEM											
000018	000	10/31/91	970	MF200	P 07 00	714	256	07/98	241	15	15	15	256	rs
			CELLULAR TELEPHONE											
000019	000	10/31/91	120	MF200	P 07 00	120	0	07/98	0	0	0	0	0	r
			BINOCULARS											
000020	000	01/12/94	800	MF200	Q 05 00	800	0	07/98	0	0	0	0	0	r
			EPSON PRINTER											
000021	000	06/29/94	1875	MF200	Q 05 00	1875	0	07/98	0	0	0	0	0	r
			EPSON CPU A5801											
000022	000	06/29/94	450	MF200	Q 05 00	450	0	07/98	0	0	0	0	0	r
			NEC READY MONITOR											
000027	000	11/29/93	927	MF150	P 31 05	927	0	07/98	0	0	0	0	0	r
			TYPHOON SHUTTER, CONDO											
000031	000	06/16/96	16614	MF100	R 39 00	0	16614	07/98	905	426	426	426	1331	
			L/H IMP. - GUCCI											
000033	000	01/26/96	4300	MF100	R 39 00	0	4300	04/99	280	0	78	78	358	d
			L/H IMP. - OFFICE											
000036	000	12/01/93	2126	MF200	P 07 00	2126	0	07/98	0	0	0	0	0	r
			ASSESSMENT FEE, CONDO											
000037	000	01/26/96	1500	MF200	Q 05 00	1500	0	07/98	0	0	0	0	0	r

SUN MOTOYAMA INT'L GUAM, INC.  
DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	In Ext	Svc Date	Acquired Value	Dep Meth	P T Est Life	Salvage/ Sect 179	Depreciable Basis	Prev Thru 07/98	Prior Depreciation	Accum This Run	Depreciation to Date	Current Year	Curr Depreciation	Accum Key
OTHER - EPSON ETRO COMPUTER														
000038	000	01/26/96	1750	MF200	Q 05 00	1750		0 07/98	0	0	0	0	0	r
	OTHER - HP VECTRA (GM COMPUTER)													
000039	000	02/27/96	7190	MF200	Q 05 00	7190		0 07/98	0	0	0	0	0	r
	OTHER - HP COMPUTER (OFFICE/ETRO)													
000040	000	04/26/96	3155	MF200	Q 05 00	2510		645 07/98	459	74	74	534	534	r
	OTHER - HP VECTRA													
000041	000	07/29/96	1705	MF200	Q 05 00	0		1705 07/98	1214	196	196	1410	1410	
	OTHER - HP VECTRA (OFFICE)													
000042	000	02/01/96	6877	MF200	P 07 00	0		6877 07/98	3870	859	859	4729	4729	
	OTHER FIXED ASSETS													
000043	000	12/31/90	839	SLMM	Z 05 00	0		839 07/98	839	0	0	839	839	
	5/91 SOFTWARE													
000046	000	08/12/96	2898	MF200	P 07 00	2898		0 07/98	0	0	0	0	0	r
	EXEC. CHAIR, COMP. STAND, FILE CABINET													
000047	000	10/17/96	8000	MF200	P 07 00	8000		0 07/98	0	0	0	0	0	r
	GM'S FURNITURE													
000048	000	02/24/97	1500	MF200	P 07 00	1500		0 07/98	0	0	0	0	0	r
	CELLULAR													
000049	000	12/26/96	1160	MF200	P 07 00	1160		0 07/98	0	0	0	0	0	r
	TELEVISION FOR CONDO													
000050	000	12/31/96	19795	MF100	R 27 06	0		19795 07/98	1037	720	720	1757	1757	
	CONDOMINIUM													
000053	000	10/01/96	25234	MF100	R 39 00	0		25234 04/99	1159	0	458	1618	1618	d
	L/H IMP. - OFFICE													
000054	000	12/01/96	4476	MF100	R 39 00	0		4476 04/99	186	0	81	268	268	d
	L/H IMP. - OFFICE													
000055	000	01/01/97	5920	MF100	R 39 00	0		5920 04/99	234	0	108	342	342	d
	L/H IMP. - OFFICE													
000056	000	12/18/96	6343	MF200	Q 05 00	2779		3564 07/98	1853	684	684	2538	2538	r
	COMPAQ COMPUTERS (OFFICE/3)													
000057	000	09/01/96	1163	MF200	P 07 00	1163		0 07/98	0	0	0	0	0	r
	SURVEYLANCE CAMERA													
000058	000	03/01/97	1295	MF200	Q 05 00	0		1295 07/98	673	249	249	922	922	
	CPU BACK-UP BATTERIES/POWER CONDITIONERS													
000059	000	01/01/97	1120	MF200	Q 05 00	0		1120 07/98	582	215	215	797	797	
	COMPAQ													
000060	000	01/01/97	11718	SLMM	Z 03 00	0		11718 07/98	6185	3906	3906	10091	10091	
	PRO SERIES SOFTWARE													
000064	000	12/19/97	2349	MF200	P 07 00	2349		0 07/98	0	0	0	0	0	r
	BEDROOM/DINING SET													
000065	000	01/13/98	1415	MF200	P 07 00	1415		0 07/98	0	0	0	0	0	r
	LIVING ROOM SET													
000066	000	12/28/97	366752	MF100	R 39 00	0		366752 07/98	5877	9404	9404	15281	15281	
	LEASEHOLD IMPROV - ETRO													
000067	000	03/31/98	3648	MF100	R 39 00	0		3648 07/98	35	94	94	129	129	
	ETRO LIGHT INSTALLATION													
000068	000	03/31/98	1970	MF200	P 07 00	1970		0 07/98	0	0	0	0	0	r

SUN MOTOYAMA INT'L GUAM, INC.  
DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	In Ext	Svc Date	Acquired Value	Dep Meth	P Est T	Est Life	Salvage/ Sect 179	Depreciable Basis	Prev Thru	Prior Depreciation	Accum This Run	Depreciation to Date	Current Year	Curr Depreciation	Accum Key
<b>ETRO OFFICE DESK</b>															
000069	000	11/01/97	3205	MF200	Q	05 00	3205	0	07/98	0	0	0	0	0	r
<b>TOSHIBA MULTIMEDIA NOTEBOOK</b>															
000070	000	01/14/99	18464	MF150	R	39 00	0	18464	00/00	0	355	355	355	355	
<b>RENOVATION</b>															
000071	000	04/01/99	10805	MF200	P	05 00	0	10805	00/00	0	2161	2161	2161	2161	
<b>COMPUTER HARDWARE Y2K</b>															
000072	000	04/01/99	9315	MF200	P	05 00	0	9315	00/00	0	1863	1863	1863	1863	
<b>COMPUTER SOFTWARE Y2K</b>															
000073	000	02/01/99	648	MF200	P	05 00	0	648	00/00	0	130	130	130	130	
<b>HP PRINTER</b>															
000074	000	04/30/99	8930	MF100	R	39 00	0	8930	04/99	0	0	0	0	0	d
<b>LEASEHOLD IMPROV. - OFFICE</b>															
Count=	54														
<b>Grand Total</b>															
			637336				60615	576721		79431	21351	22076	101507		
<b>Less disposals and transfers</b>															
			50933				2072	48861		1860			2585		
<b>Net</b>			<b>586403</b>				<b>58543</b>	<b>527860</b>		<b>77571</b>	<b>21351</b>	<b>22076</b>	<b>98922</b>		

----- Calculation Assumptions -----

Book	Short Years	Midquarter Convention	Adjustment Convention
---	---	---	---
Tax	[N]	[N]	None

----- Asset Grouping/Sorting -----

Group: All FAS Assets

Include Assets that meet the following conditions:

All FAS Assets

Sort Assets by:

----- Key -----

r : Asset's acquired value has been reduced to arrive at depreciable basis.  
s : Asset has switched from declining-balance to straight-line  
d : Asset has been disposed of.

SUN MOTOYAMA INT'L GUAM, INC.  
DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	In Ext	Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Thru 07/98	Prior Depreciation	Accum This Run	Depreciation to Date	Current Year	Curr Depreciation	Accum Key
<b>Book: AMT FY: July</b>														
000001	000	10/18/93	189 MF150 P 10 00			189		0 07/98		0	0	0	0	r
			DISHWASHER, CONDO											
000002	000	11/01/93	10673 MF150 P 10 00			0		10673 07/98		9333	893	893	10226	s
			5/90 F&F											
000003	000	11/30/90	4161 MF150 P 10 00			0		4161 07/98		3290	349	349	3638	s
			5/91 7YR OFFICE F&F											
000004	000	08/01/90	26793 MF150 P 10 00			0		26793 07/98		21178	2246	2246	23424	s
			ETRO #2 F&F											
000008	000	08/06/93	1573 MF150 P 10 00			1573		0 08/98		0	0	0	0	dr
			CARPET INSTALL. CONDO											
000009	000	10/18/93	293 MF150 P 10 00			293		0 07/98		0	0	0	0	r
			ELECTRIC RANGE, CONDO											
000010	000	08/19/93	499 MF150 P 10 00			499		0 08/98		0	0	0	0	dr
			TOPPY'S OFFICE CABINET											
000011	000	07/05/95	3200 MF150 P 10 00			3200		0 07/98		0	0	0	0	r
			SHELVING											
000012	000	07/18/95	3600 MF150 P 10 00			3600		0 07/98		0	0	0	0	r
			OFFICE PARTITION											
000013	000	08/24/95	3450 MF150 P 10 00			3450		0 07/98		0	0	0	0	r
			DRAWER CABINET (ETRO)											
000014	000	12/13/95	1100 MF150 P 10 00			1100		0 07/98		0	0	0	0	r
			SHELVING UNIT											
000015	000	11/01/93	11048 MF150 P 06 00			0		11048 07/98		11048	0	0	11048	s
			5/90 M&E											
000016	000	03/27/91	1125 MF150 P 06 00			0		1125 07/98		1125	0	0	1125	s
			91 5 YR ASSETS											
000017	000	06/30/91	310 MF150 P 10 00			310		0 07/98		0	0	0	0	r
			MUSIC SYSTEM											
000018	000	10/31/91	970 MF150 P 10 00			714		256 07/98		171	24	24	195	rs
			CELLULAR TELEPHONE											
000019	000	10/31/91	120 MF150 P 10 00			120		0 07/98		0	0	0	0	r
			BINOCULARS											
000020	000	01/12/94	800 MF150 Q 05 00			800		0 07/98		0	0	0	0	r
			EPSON PRINTER											
000021	000	06/29/94	1875 MF150 Q 05 00			1875		0 07/98		0	0	0	0	r
			EPSON CPU A5801											
000022	000	06/29/94	450 MF150 Q 05 00			450		0 07/98		0	0	0	0	r
			NEC READY MONITOR											
000027	000	11/29/93	927 MF150 P 40 00			927		0 07/98		0	0	0	0	r
			TYPHOON SHUTTER, CONDO											
000031	000	06/16/96	16614 ADS R 40 00			0		16614 07/98		883	415	415	1298	
			L/H IMP. - GUCCI											
000033	000	01/26/96	4300 ADS R 40 00			0		4300 04/99		273	0	76	349	d
			L/H IMP. - OFFICE											
000036	000	12/01/93	2126 MF150 P 10 00			2126		0 07/98		0	0	0	0	r
			ASSESSMENT FEE, CONDO											
000037	000	01/26/96	1500 MF150 Q 05 00			1500		0 07/98		0	0	0	0	r

SUN MOTOYAMA INT'L GUAM, INC.  
DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	In Svc Ext	Acquired Date	Dep Value	P Est Meth	T Life	Salvage/ Sect 179	Depreciable Basis	Prev Thru 07/98	Prior Depreciation	Accum This Run	Depreciation to Date	Current Year	Curr Depreciation	Accum Key
OTHER - EPSON ETRO COMPUTER														
000038	000	01/26/96	1750	MF150	Q	05 00	1750	0 07/98	0	0	0	0	0	r
	OTHER - HP VECTRA (GM COMPUTER)													
000039	000	02/27/96	7190	MF150	Q	05 00	7190	0 07/98	0	0	0	0	0	r
	OTHER - HP COMPUTER (OFF/ETRO)													
000040	000	04/26/96	3155	MF150	Q	05 00	2510	645 07/98	376	107	107	107	484	rs
	OTHER - HP VECTRA													
000041	000	07/29/96	1705	MF150	Q	05 00	0	1705 07/98	995	284	284	284	1279	s
	OTHER - HP VECTRA (OFFICE)													
000042	000	02/01/96	6877	MF150	P	10 00	0	6877 07/98	2281	689	689	689	2970	
	OTHER FIXED ASSETS													
000043	000	12/31/90	839	SLMM	Z	05 00	0	839 07/98	839	0	0	0	839	
	5/91 SOFTWARE													
000046	000	08/12/96	2898	MF150	P	10 00	2898	0 07/98	0	0	0	0	0	r
	EXEC. CHAIR, COMP. STAND, FILE CABINET													
000047	000	10/17/96	9000	MF150	P	10 00	8000	0 07/98	0	0	0	0	0	r
	GM'S FURNITURE													
000048	000	02/24/97	1500	MF150	P	10 00	1500	0 07/98	0	0	0	0	0	r
	CELLULAR													
000049	000	12/26/96	1160	MF150	P	10 00	1160	0 07/98	0	0	0	0	0	r
	TELEVISION FOR CONDO													
000050	000	12/31/96	19795	ADS	R	40 00	0	19795 07/98	804	495	495	495	1299	
	CONDOMINIUM													
000053	000	10/01/96	25234	ADS	R	40 00	0	25234 04/99	1130	0	447	447	1577	d
	L/H IMP. - OFFICE													
000054	000	12/01/96	4476	ADS	R	40 00	0	4476 04/99	182	0	79	79	261	d
	L/H IMP. - OFFICE													
000055	000	01/01/97	5920	ADS	R	40 00	0	5920 04/99	228	0	105	105	333	d
	L/H IMP. - OFFICE													
000056	000	12/18/96	6343	MF150	Q	05 00	2779	3564 07/98	1443	636	636	636	2080	r
	COMPAQ COMPUTERS (OFFICE/3)													
000057	000	09/01/96	1163	MF150	P	10 00	1163	0 07/98	0	0	0	0	0	r
	SURVEYLANCE CAMERA													
000058	000	03/01/97	1295	MF150	Q	05 00	0	1295 07/98	524	231	231	231	756	
	CPU BACK-UP BATTERIES/POWER CONDITIONERS													
000059	000	01/01/97	1120	MF150	Q	05 00	0	1120 07/98	454	200	200	200	654	
	COMPAQ													
000060	000	01/01/97	11718	SLMM	Z	03 00	0	11718 07/99	6185	3906	3906	3906	10091	
	PRO SERIES SOFTWARE													
000064	000	12/19/97	2349	MF150	P	10 00	2349	0 07/98	0	0	0	0	0	r
	BEDROOM/DINING SET													
000065	000	01/13/98	1415	MF150	P	10 00	1415	0 07/98	0	0	0	0	0	r
	LIVING ROOM SET													
000066	000	12/28/97	366752	ADS	R	40 00	0	366752 07/98	5731	9169	9169	9169	14899	
	LEASEHOLD IMPROV - ETRO													
000067	000	03/31/98	3648	ADS	R	40 00	0	3648 07/98	34	91	91	91	125	
	ETRO LIGHT INSTALLATION													
000068	000	03/31/98	1970	MF150	P	10 00	1970	0 07/98	0	0	0	0	0	r

SUN MOTOYAMA INT'L GUAM, INC.  
DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Thru Depreciation	Prior Depreciation	Accum This Run	Depreciation to Date	Current Year	Curr Depreciation	Accum Key
000069	000	11/01/97	3205	MF150	Q 05 00	3205	0	07/98	0	0	0	0	0	r
000070	000	01/14/99	18464	MF150	R 39 00	0	18464	00/00	0	355	355	355		
RENOVATION														
000071	000	04/01/99	10805	MF150	P 05 00	0	10805	00/00	0	1621	1621	1621		
COMPUTER HARDWARE Y2K														
000072	000	04/01/99	9315	MF150	P 05 00	0	9315	00/00	0	1397	1397	1397		
COMPUTER SOFTWARE Y2K														
000073	000	02/01/99	648	MF150	P 05 00	0	648	00/00	0	97	97	97		
HP PRINTER														
000074	000	04/30/99	8930	MF100	R 39 00	0	8930	04/99	0	0	0	0		d
LEASEHOLD IMPROV. - OFFICE														
Count=		54	-----			-----		-----		-----		-----		
Grand Total														
			637336			60615	576721		68508	23206	23914	92421		
Less disposals and transfers														
			50933			2072	48861		1814			2521		
Net			586403			58543	527860		66694	23206	23914	89901		

----- Calculation Assumptions -----

Book	Short Years	Midquarter Convention	Adjustment Convention
AMT	[N]	[N]	None

----- Asset Grouping/Sorting -----

Group: All FAS Assets

Include Assets that meet the following conditions:

All FAS Assets

Sort Assets by:

----- Key -----

r : Asset's acquired value has been reduced to arrive at depreciable basis.  
s : Asset has switched from declining-balance to straight-line  
d : Asset has been disposed of.



GUAM  
Amended U.S. Corporation  
Income Tax ReturnFor tax year ending in  
7/97  
(Enter month and year)  
Employer identification number  
98-0018893

Name

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Number, street, and room or suite no. (If a P.O. box, see instructions.)

P.O. BOX 8139

City or town, state, and ZIP code

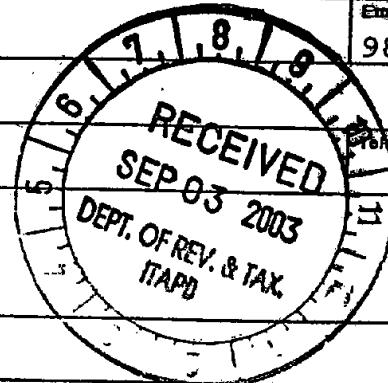
TAMUNING, GU 96931

Enter name and address used on original return (if same as above, write "Same.")

SAME

Internal Revenue Service Center  
where original return was filed

TIYAN, GUAM



## Fill in Applicable Items and Use Part II To Explain Any Changes

Income and Deductions (see instructions)	(a) As originally reported or as previously adjusted	(b) Net change (increase or decrease - explain in Part II)	(c) Correct amount
1 Total income (Form 1120 or 1120-A, line 11).....	9884734		9884734
2 Total deductions (total of lines 27 and 29c, Form 1120, or lines 23 and 25c, Form 1120-A).....	3905468	128130	4033598
3 Taxable income. Subtract line 2 from line 1 .....	5979266	-128130	5851136
4 Tax (Form 1120, line 31, or Form 1120-A, line 27).....	2032950	-43564	1989386

## Payments and Credits (see instructions)

ORIGINAL

5a Overpayment in prior year allowed as a credit.....	43429		43429
b Estimated tax payments.....	2090500		2090500
c Refund applied for on Form 4488 .....			
d Subtract line 5c from the sum of lines 5a and 6b.....	2133929		2133929
e Tax deposited with Form 7004.....			
f Credit from regulated investment companies.....			
g Credit for Federal tax on fuels .....			
h Tax deposited or paid with (or after) the filing of the original return .....			0
7 Add lines 5d through 6, column (c) .....			2133929
8 Overpayment, if any, as shown on original return or as later adjusted.....			100182
9 Subtract line 8 from line 7 .....			2033747

## Tax Due or Refund

10 Tax due. Subtract line 9 from line 4, column (c). Make check payable to "Internal Revenue Service" (see instructions) .....

11 Refund. Subtract line 4, column (c), from line 9 .....

Please  
Sign  
Here

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Al. Valenzuela

Signature of officer

Date

Title

\* 43564

Paid  
Preparer's  
Use Only

Preparer's signature TOM M. ARNETT	Date 1/29/03	Check if self-employed <input type="checkbox"/>	Preparer's social security no. P00018125
Firm's name (or yours if self-employed) and address DELOITTE & TOUCHE LLP 361 SOUTH MARINE DRIVE TAMUNING, GUAM, --	E.I. No. 98-0047535	ZIP code 96913	GUAM

For Paperwork Reduction Act Notice, see Instructions on page 2

KFA

Case 1:03-cv-00045 Document 6 Filed 03/08/2004 Page 38 of 55 Form 1120X (Rev. 8-95)  
Exhibit "B" \*ESTIMATED TAX PENALTY OF \$797 IS DEDUCTED FROM

**Part II** **Explanation of Changes to Income, Deductions, Credits, etc.** Enter the line number from page 1 for the items you are changing, and give the reason for each change. Show any computation in detail. Attach additional sheets if necessary.

If the change is due to a net operating loss carryback, a capital loss carryback, or a general business credit carryback, see **Carryback Claims** on page 3, and check here.

TAXPAYER HAS AMENDED ITS 1996 CORPORATE INCOME TAX RETURN TO CARRY BACK NET OPERATING LOSS OF \$128,130 AND ALTERNATIVE MINIMUM TAX NET OPERATING LOSS OF \$132,288, GENERATED FROM ITS 2001 CORPORATE INCOME TAX RETURN.

## U. S. Corporation Income Tax Return

For calendar year 1996 or tax year beginning 8/01, 1996, ending 7/31, 1997

1996

► Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

## A Check if a:

1 Consolidated return (attach Form 851)

2 Personal holding co. (attach Sch. PH)

3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T - see instructions)

Use IRS label. Otherwise, please print or type.

SUN MOTOYAMA INTERNATIONAL GUAM, INC.  
P.O. BOX 8139  
TAMUNING, GU 96931

## B Employer identification number

98-0018893

## C Date incorporated

5/23/74

## D Total assets (see page 8 of instructions)

\$ 8166597

E Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change of address

1a	Gross receipts or sales	16518424	b	Less returns and allowances		c	Balance	►	1c	16518424
2	Cost of goods sold (Schedule A, line 8)								2	6778469
3	Gross profit. Subtract line 2 from line 1c								3	9739955
4	Dividends (Schedule C, line 19)								4	
5	Interest								5	121981
6	Gross rents								6	
7	Gross royalties								7	
8	Capital gain net income (attach Schedule D (Form 1120))								8	
9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)								9	
10	Other income (see page 7 of instructions - attach schedule)								10	22798
11	Total Income. Add lines 3 through 10								11	9884734
12	Compensation of officers (Schedule E, line 4)								12	
13	Salaries and wages (less employment credits)								13	994943
14	Repairs and maintenance								14	15
15	Bad debts								15	
16	Rents								16	712048
17	Taxes and licenses								17	726457
18	Interest								18	79265
19	Charitable contributions (see page 8 of instructions for 10% limitation)								19	1984
20	Depreciation (attach Form 4562)					20	44532		20	
21	Less depreciation claimed on Schedule A and elsewhere on return					21a			21b	44532
22	Depletion								22	
23	Advertising								23	232848
24	Pension, profit-sharing, etc., plans								24	117656
25	Employee benefit programs								25	10329
26	Other deductions (attach schedule)								26	985391
27	Total deductions. Add lines 12 through 26								27	3905468
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11								28	5979266
29	Less: a Net operating loss deduction (see page 10 of instr.) SEE. ST. 6	29a	128130						29c	128130
	b Special deductions (Schedule C, line 20)	29b							30	5851136
30	Taxable Income. Subtract line 29c from line 28								31	1989386
31	Total tax (Schedule J, line 10)									
32	Payments:									
a	1995 overpayment credited to 1996	32a	43429							
b	1996 estimated tax payments	32b	2090500							
c	Less 1996 refund applied for on Form 4466	32c	( )	d	Bal	32d	2133929			
e	Tax deposited with Form 7004			32e						
f	Credit from regulated investment companies (attach Form 2439)			32f						
g	Credit for Federal tax on fuels (attach Form 4136). See instructions			32g				32h	2133929	
33	Estimated tax penalty (see page 11 of instructions). Check if Form 2220 is attached							33	797	
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed							34		
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid							35	143746	
36	Enter amount of line 35 you want: Credited to 1997 estimated tax	36	100182	Refunded	►	36	43564			

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign  
HereSignature  
of officer

Date Title

Paid  
Preparer's  
Use OnlyPreparer's  
signature

JOE M. ARNETT

Date

Check if self-  
employed

Preparer's social security number

P00018125

KFA

Firm's name (or  
yours, if self-employed)  
and addressDELOITTE & TOUCHE LLP  
361 SOUTH MARINE DRIVE  
TAMUNING, GUAM, --

EIN ►98-0047535

ZIP code ►96913

**Schedule J Tax Computation** (See page 13 of instructions.)1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563). ► 

Important: Members of a controlled group, see instructions on page 13.

2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):

(1) \$  (2) \$  (3) \$ 

\$ <input type="text"/>	<input type="checkbox"/>
\$ <input type="text"/>	<input type="checkbox"/>

b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) ..   
(2) Additional 3% tax (not more than \$100,000) .. 3 Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 13) .. ►  3 1989386

4a Foreign tax credit (attach Form 1118) ..

4a	<input type="checkbox"/>
4b	<input type="checkbox"/>

b Possessions tax credit (attach Form 5735) ..

4b	<input type="checkbox"/>
4c	<input type="checkbox"/>

c Check:  Nonconventional source fuel credit

4c	<input type="checkbox"/>
4d	<input type="checkbox"/>

 QEV credit (attach Form 8834) ..

4d	<input type="checkbox"/>
4e	<input type="checkbox"/>

d General business credit. Enter here and check which forms are attached:

 3800  3468  5884  6478  6765  8586  8830  
 8826  8835  8844  8845  8846  8820  8847

e Credit for prior year minimum tax (attach Form 8827) ..

5 Total credits. Add lines 4a through 4e ..

5

6 Subtract line 5 from line 3 ..

6

1989386

7 Personal holding company tax (attach Schedule PH (Form 1120)) ..

7

8 Recapture taxes. Check if from:  Form 4255  Form 8611 ..

8

9 Alternative minimum tax (attach Form 4626) ..

9

10 Total tax. Add lines 6 through 9. Enter here and on line 31, page 1 ..

10

1989386

**Schedule K Other Information** (See page 15 of instructions.)

1 Check method of accounting:

a  Cash b  Accrualc  Other (specify) ► \_\_\_\_\_

2 See page 17 of the instructions and state the principal:

a Business activity code no. ► 5600

b Business activity ► SALES

c Product or service ► APPAREL &amp; ACCES

3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c)) ..

If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.

4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ..

If "Yes," enter employer identification number and name of the parent corporation ► \_\_\_\_\_

5 Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c)) ..

If "Yes," attach a schedule showing name and identifying no. (Do not include any information already entered in 4 above.) Enter percentage owned ► SEE STATEMENT 7

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316) ..

If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

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AS AMENDED

	Yes	No		Yes	No
7 Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) ..					X
If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ► _____					
8 At any time during the 1996 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? ..					
If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country ► _____					
9 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 16 of the instructions for other forms the corporation may have to file ..					
10 Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"					
a Enter percentage owned ► 50.00					
b Enter owner's country ► JAPAN/HONG KONG					
c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ► 2					
11 Check this box if the corporation issued publicly offered debt instruments with original issue discount .. ► <input type="checkbox"/>					
If so, the corporation may have to file Form 8281.					
12 Enter the amount of tax-exempt interest received or accrued during the tax year .. ► \$ _____					
13 If there were 35 or fewer shareholders at the end of the tax year, enter the number ► 2					
14 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here .. ► <input type="checkbox"/>					
15 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.)					

► See separate Instructions.  
► Attach to the corporation's tax return.

Name	Employer identification number	
SUN MOTOYAMA INTERNATIONAL GUAM, INC.	98-0018893	
1 Taxable income or (loss) before net operating loss deduction.....	1	5979266
2 Adjustments and preferences:		
a Depreciation of post-1986 property .....	2a	-8054
b Amortization of certified pollution control facilities .....	2b	
c Amortization of mining exploration and development costs .....	2c	
d Amortization of circulation expenditures (personal holding companies only).....	2d	
e Adjusted gain or loss .....	2e	-41699
f Long-term contracts.....	2f	
g Installment sales .....	2g	
h Merchant marine capital construction funds .....	2h	
i Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only).....	2i	
j Tax shelter farm activities (personal service corporations only).....	2j	
k Passive activities (closely held corporations and personal service corporations only).....	2k	
l Loss limitations .....	2l	
m Depletion .....	2m	
n Tax-exempt interest from specified private activity bonds.....	2n	
o Charitable contributions .....	2o	
p Intangible drilling costs .....	2p	
q Accelerated depreciation of real property (pre-1987) .....	2q	
r Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only).....	2r	
s Other adjustments .....	2s	
t Combine lines 2a through 2s.....	2t	-49753
3 Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2t.....	3	5929513
4 Adjusted current earnings (ACE) adjustment:		
a Enter the corporation's ACE from line 10 of the worksheet on page 8 of the instructions .....	4a	5943135
b Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see examples beginning on page 4 of the Instructions) .....	4b	13622
c Multiply line 4b by 75% (.75). Enter the result as a positive amount .....	4c	10217
d Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 5 of the Instructions). Note: You must enter an amount on line 4d (even if line 4b is positive) .....	4d	7916
e ACE adjustment:		
• If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.	4e	10217
• If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.		
5 Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax.....	5	5939730
6 Alternative tax net operating loss deduction (see page 5 of the Instructions).....	6	132288
7 Alternative minimum taxable income. Subtract line 6 from line 5 .....	7	5807442

For Paperwork Reduction Act Notice, see separate instructions.

Form 4626 (1996)

8	Enter the amount from line 7 (alternative minimum taxable income) .....	8	5807442
9	Exemption phase-out computation (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a	Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-.....	9a	
b	Multiply line 9a by 25% (.25).....	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-.....	9c	0
10	Subtract line 9c from line 8. If zero or less, enter -0-.....	10	5807442
11	Multiply line 10 by 20% (.20) .....	11	1161488
12	Alternative minimum tax foreign tax credit. See page 5 of the Instructions for limitations .....	12	
13	Tentative minimum tax. Subtract line 12 from line 11.....	13	1161488
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit.....	14	1989386
15	Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9). If zero or less, enter -0-.....	15	0

## Adjusted Current Earnings Worksheet

► See ACE Worksheet Instructions (which begin on page 6).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626.....	1	5929513
2	ACE depreciation adjustment:		
a	AMT depreciation .....	2a	52586
b	ACE depreciation:		
(1)	Post-1993 property .....	2b(1)	16367
(2)	Post-1989, pre-1994 property .....	2b(2)	8042
(3)	Pre-1990 MACRS property .....	2b(3)	14555
(4)	Pre-1990 original ACRS property.....	2b(4)	
(5)	Property described in sections 168(f)(1) through (4).....	2b(5)	
(6)	Other property .....	2b(6)	
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6).....	2b(7)	38964
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a.....	2c	13622
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income .....	3a	
b	Death benefits from life insurance contracts .....	3b	
c	All other distributions from life insurance contracts (including surrenders).....	3c	
d	Inside buildup of undistributed income in life insurance contracts.....	3d	
e	Other items (see Regulations sections 1.56(g) - 1(c)(6)(iii) through (ix) for a partial list) .....	3e	
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e.....	3f	0
4	Disallowance of items not deductible from E&P:		
a	Certain dividends received .....	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247 .....	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k).....	4c	
d	Nonpatronage dividends that are paid and deductible under section 1382(c).....	4d	
e	Other items (see Regulations sections 1.56(g) - 1(d)(3)(I) and (II) for a partial list).....	4e	
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e .....	4f	0
5	Other adjustments based on rules for figuring E&P:		
a	Intangible drilling costs .....	5a	
b	Circulation expenditures .....	5b	
c	Organizational expenditures .....	5c	
d	LIFO inventory adjustments.....	5d	
e	Installment sales .....	5e	
f	Total other E&P adjustments. Combine lines 5a through 5e .....	5f	0
6	Disallowance of loss on exchange of debt pools.....	6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts .....	7	
8	Depletion .....	8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property.....	9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626	10	5943135

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

**STATEMENT 1**  
**FORM 1120, LINE 5**  
**INTEREST INCOME**

INTEREST INCOME .....	\$ 121981
	TOTAL \$ 121981
	=====

**STATEMENT 2**  
**FORM 1120, LINE 10**  
**OTHER INCOME**

COMMISSION INCOME .....	\$ 18358
OTHER INCOME .....	4440
	TOTAL \$ 22798
	=====

**STATEMENT 3**  
**FORM 1120, LINE 17**  
**TAXES AND LICENSES**

GRIT .....	\$ 655395
OTHER TAXES .....	170
PAYROLL TAXES .....	70892
	TOTAL \$ 726457
	=====

**STATEMENT 4**  
**FORM 1120, LINE 19**  
**CHARITABLE CONTRIBUTIONS**

CHARITABLE CONTRIBUTION .....	\$ 1984
	TOTAL \$ 1984
	=====

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

**STATEMENT 5**  
**FORM 1120, LINE 26**  
**OTHER DEDUCTIONS**

AMORTIZATION .....	\$ 2279
BANK CHARGES .....	269426
CASH SHORT .....	235
COMMUNICATIONS .....	29532
DAMAGE ACCOUNT .....	1600
DUES AND SUBSCRIPTIONS .....	20542
INSURANCE .....	79821
LEGAL AND PROFESSIONAL .....	76038
LOSS ON ABANDONMENT OF L/H & OTHER F/A .....	5231
MEALS, ENTERTAINMENT, AND CERTAIN TRAVEL EXPENSES .....	5483
OUTSIDE SERVICES .....	12452
POSTAGE .....	4811
SUPPLIES .....	196127
TRANSPORTATION .....	19181
TRAVEL .....	103116
UTILITIES .....	14146
WAREHOUSE & OFFICE .....	145371
 TOTAL	\$ 985391
	=====

**STATEMENT 6**  
**FORM 1120, LINE 29A**  
**NET OPERATING LOSS DEDUCTION**

CARRYBACK GENERATED FROM FISCAL YEAR END 7/31/02 \$ 128130

AMOUNT UTILIZED IN	0
 TOTAL UTILIZATION .....	\$ 0
AVAILABLE FOR CARRYBACK TO 1996 .....	128130
TOTAL NET OPERATING LOSS DEDUCTION .....	\$ 128130
	=====

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

**STATEMENT 7**  
**FORM 1120, SCHEDULE K, LINE 5**  
**50% OR MORE OWNERS**

NAME : PLOWDEN HONG KONG LIMITED  
 ID NUMBER : N/A  
 PERCENTAGE OWNED : 50.00%

NAME : INTERNATIONAL SUN MOTOYAMA CO., LTD.  
 ID NUMBER : N/A  
 PERCENTAGE OWNED : 50.00%

**STATEMENT 8**  
**FORM 1120, SCHEDULE L, LINE 6**  
**OTHER CURRENT ASSETS**

	BEGINNING	ENDING
PREPAID EXPENSES .....	\$ 149483	\$ 209482
GUAM INCOME TAX RECEIVABLE .....	0	44893
NOTE RECEIVABLE - CURRENT .....	0	374678
<b>TOTAL</b>	<b>\$ 149483</b>	<b>\$ 629053</b>

**STATEMENT 9**  
**FORM 1120, SCHEDULE L, LINE 14**  
**OTHER ASSETS**

	BEGINNING	ENDING
RENTAL DEPOSITS .....	\$ 50570	\$ 70844
NOTES RECEIVABLE .....	0	199256
DEFERRED TAX ASSET .....	105394	273387
<b>TOTAL</b>	<b>\$ 155964</b>	<b>\$ 543487</b>

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

**STATEMENT 10**  
**FORM 1120, SCHEDULE L, LINE 18**  
**OTHER CURRENT LIABILITIES**

	BEGINNING	ENDING
SALARIES PAYABLE .....	\$ 10482	\$ 253957
INCOME TAX PAYABLE .....	25880	0
FICA TAX PAYABLE .....	3277	3267
WITHHOLDING TAX PAYABLE .....	3841	1710
GROSS RECEIPTS TAX .....	55931	51787
RETIREMENT PLAN PAYABLE .....	36714	105741
 TOTAL	 \$ 136125	 \$ 416462
	=====	=====

**STATEMENT 11**  
**FORM 1120, SCHEDULE M-1, LINE 5**  
**BOOK EXPENSES NOT DEDUCTED**

401(K) PROFIT SHARING PLAN .....	\$ 78438
CLUB MEMBERSHIP .....	2500
 TOTAL	 \$ 80938
	=====

**STATEMENT 12**  
**FORM 1120, SCHEDULE M-1, LINE 8**  
**DEDUCTIONS NOT ON BOOKS**

AMORTIZATION .....	\$ 2279
LOSS ON ABANDONMENT OF L/H & OTHER F/A .....	2080
 TOTAL	 \$ 4359
	=====

**STATEMENT 13**  
**FORM 4626, LINE 6**  
**AMT NET OPERATING LOSS DEDUCTIONS**

AS AMENDED

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

**STATEMENT 13 CONTINUED**  
**FORM 4626, LINE 6**  
**AMT NET OPERATING LOSS DEDUCTIONS**

CARRYBACK GENERATED FROM FISCAL YEAR END 7/31/02 . \$ 132288

AMOUNT UTILIZED IN	0
<hr/>	
TOTAL UTILIZATION .....	\$ 0
AVAILABLE FOR CARRYBACK TO 1996 .....	132288
TOTAL AMT NET OPERATING LOSS DEDUCTION .....	\$ 132288
<hr/>	

Department of the Treasury  
Internal Revenue ServiceFor calendar year 1996 or tax year beginning 8/01, 1996, ending 7/31, 1997

1996

► Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

## A Check if a:

1 Consolidated return (attach Form 851)   
 2 Personal holding co. (attach Sch. PH)   
 3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T - see instructions)

Use IRS label. Otherwise, please print or type.

SUN MOTOYAMA INTERNATIONAL GUAM, INC.  
P.O. BOX 8139  
TAMUNING, GU 96931B Employer identification number  
**98-0018893**C Date incorporated  
**5/23/74**

D Total assets (see page 8 of instructions)

E Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change of address\$ **8166597**

1a	Gross receipts or sales	<b>16518424</b>	b Less returns and allowances		c Balance	►	1c	<b>16518424</b>
2	Cost of goods sold (Schedule A, line 8)				2	<b>6778469</b>		
3	Gross profit. Subtract line 2 from line 1c				3	<b>9739955</b>		
4	Dividends (Schedule C, line 19)				4			
5	Interest				5	<b>121981</b>		
6	Gross rents				6			
7	Gross royalties				7			
8	Capital gain net income (attach Schedule D (Form 1120))				8			
9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)				9			
10	Other income (see page 7 of instructions - attach schedule)			SEE STATEMENT 1	10	<b>22798</b>		
11	Total income. Add lines 3 through 10				11	<b>9884734</b>		
12	Compensation of officers (Schedule E, line 4)				12			
13	Salaries and wages (less employment credits)				13	<b>994943</b>		
14	Repairs and maintenance				14	<b>15</b>		
15	Bad debts				15			
16	Rents				16	<b>712048</b>		
17	Taxes and licenses			SEE STATEMENT 2	17	<b>726457</b>		
18	Interest				18	<b>79265</b>		
19	Charitable contributions (see page 8 of instructions for 10% limitation)			SEE STATEMENT 3	19	<b>1984</b>		
20	Depreciation (attach Form 4562)				20	<b>44532</b>		
21	Less depreciation claimed on Schedule A and elsewhere on return				21a			
22	Depletion				21b	<b>44532</b>		
23	Advertising				22			
24	Pension, profit-sharing, etc., plans				23	<b>232848</b>		
25	Employee benefit programs				24	<b>117656</b>		
26	Other deductions (attach schedule)			SEE STATEMENT 4	25	<b>10329</b>		
27	Total deductions. Add lines 12 through 26				26	<b>985391</b>		
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				27	<b>3905468</b>		
29	Less: a Net operating loss deduction (see page 10 of instr.)				28	<b>5979266</b>		
	b Special deductions (Schedule C, line 20)				29a			
					29b			
					29c			
30	Total taxable income. Subtract line 29c from line 28				30	<b>5979266</b>		
31	Total tax (Schedule J, line 10)				31	<b>2032950</b>		
32	Payments:							
a	1995 overpayment credited to 1996	<b>32a</b>	<b>43429</b>					
b	1996 estimated tax payments	<b>32b</b>	<b>2090500</b>					
c	Less 1996 refund applied for on Form 4466	<b>32c</b>	( )	d Bal	<b>32d</b>	<b>2133929</b>		
e	Tax deposited with Form 7004				32e			
f	Credit from regulated investment companies (attach Form 2439)				32f			
g	Credit for Federal tax on fuels (attach Form 4136). See instructions				32g			
33	Estimated tax penalty (see page 11 of instructions). Check if Form 2220 is attached				32h	<b>2133929</b>		
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				33	<b>797</b>		
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				34			
36	Enter amount of line 35 you want: Credited to 1997 estimated tax				35	<b>100182</b>		
					36	<b>0</b>		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

Paid  
Preparer's  
Use OnlyPreparer's  
signature

DAVID L. WELCH

Date

Check if self-employed 

Preparer's social security number

**440-66-2097**

KFA

Firm's name (or  
yours, if self-employed)  
and addressDELOITTE & TOUCHE LLP  
361 SOUTH MARINE DRIVE  
TAMUNING, GUAMEIN **►98-0047535**

## Schedule K Tax Computation (See page 13 of instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563). <input type="checkbox"/> ► <input type="checkbox"/>		
Important: Members of a controlled group, see instructions on page 13.			
2 a	If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ <input type="text"/> (2) \$ <input type="text"/> (3) \$ <input type="text"/>		
b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) ... (2) Additional 3% tax (not more than \$100,000) ...			
3	Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 13) ...		
4 a	Foreign tax credit (attach Form 1118) ...		
b	Possessions tax credit (attach Form 5735) ...		
c	Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834) ...		
d	General business credit. Enter here and check which forms are attached: <input type="checkbox"/> 3800 <input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826 <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847		
e	Credit for prior year minimum tax (attach Form 8827) ...		
5	Total credits. Add lines 4a through 4e ...		
6	Subtract line 5 from line 3 ...		
7	Personal holding company tax (attach Schedule PH (Form 1120)) ...		
8	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 ...		
9	Alternative minimum tax (attach Form 4626) ...		
10	Total tax. Add lines 6 through 9. Enter here and on line 31, page 1 ...		

## Schedule K Other Information (See page 15 of instructions.)

1	Check method of accounting: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ► <input type="text"/>		
2	See page 17 of the instructions and state the principal: a Business activity code no. ► <u>5600</u> b Business activity ► <u>SALES</u> c Product or service ► <u>APPAREL &amp; ACCES</u>		
3	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)  If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ...  If "Yes," enter employer identification number and name of the parent corporation ► <input type="text"/>		
5	Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)  If "Yes," attach a schedule showing name and identifying no. (Do not include any information already entered in 4 above.) Enter percentage owned ► <u>SEE STATEMENT 5</u>		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 318.)  If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		
7	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) ... If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ► <input type="text"/>		
8	At any time during the 1996 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? ... If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country ► <input type="text"/>		
9	During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 16 of the instructions for other forms the corporation may have to file ...		
10	Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes," a Enter percentage owned ► <u>50.00</u> b Enter owner's country ► <u>JAPAN/HONG KONG</u> c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ► <input type="text"/>		
11	Check this box if the corporation issued publicly offered debt instruments with original issue discount ... If so, the corporation may have to file Form 8281.		
12	Enter the amount of tax-exempt interest received or accrued during the tax year ... ► \$ <input type="text"/>		
13	If there were 35 or fewer shareholders at the end of the tax year, enter the number ► <input type="text"/>		
14	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ... ► <input type="checkbox"/>		
15	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ► \$ <input type="text"/>		

Name

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Employer identification number  
98-0018893

1	Taxable income or (loss) before net operating loss deduction.....	1	5979266
2	Adjustments and preferences:		
a	Depreciation of post-1986 property .....	2a	-8054
b	Amortization of certified pollution control facilities .....	2b	
c	Amortization of mining exploration and development costs .....	2c	
d	Amortization of circulation expenditures (personal holding companies only).....	2d	
e	Adjusted gain or loss .....	2e	-41699
f	Long-term contracts .....	2f	
g	Installment sales .....	2g	
h	Merchant marine capital construction funds .....	2h	
i	Section 503(b) deduction (Blue Cross, Blue Shield, and similar type organizations only).....	2i	
j	Tax shelter farm activities (personal service corporations only).....	2j	
k	Passive activities (closely held corporations and personal service corporations only).....	2k	
l	Loss limitations .....	2l	
m	Depreciation .....	2m	
n	Text-exempt interest from specified private activity bonds.....	2n	
o	Charitable contributions .....	2o	
p	Intangible drilling costs .....	2p	
q	Accelerated depreciation of real property (pre-1987) .....	2q	
r	Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only).....	2r	
s	Other adjustments .....	2s	
t	Combine lines 2a through 2s.....		-49753
3	Prepayment alternative minimum taxable income (AMTI). Combine lines 1 and 2t.....		5939513
4	AMT tax credit adjustment (ACE) adjustment:		
a	Enter the corporation's ACE from line 10 of the worksheet on page 8 of the instructions .....	4a	5943135
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (use minus sign on page 4 of the instructions) .....	4b	13622
c	Multiply line 4b by 70% (.70). Enter the result as a positive amount .....	4c	10217
d	Enter the excess, if any, of the corporation's total increase in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 6 of the instructions). Note: You must enter an amount on line 4d (even if line 4a is positive) .....	4d	7916
e	ACE adjustment:		
●	If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount .....		10217
●	If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount .....		
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax.....	5	5939730
6	Alternative tax net operating loss deduction (see page 6 of the instructions).....	6	
7	Alternative minimum taxable income. Subtract line 6 from line 5 .....	7	5939730

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Form 4626 (1998)

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8	Enter the amount from line 7 (alternative minimum taxable income) .....	8	5939730
9	Exemption phase-out computation (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a	Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-.....	9a	
b	Multiply line 9a by 25% (.25).....	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-.....	9c	0
10	Subtract line 9c from line 8. If zero or less, enter -0-.....	10	5939730
11	Multiply line 10 by 20% (.20) .....	11	1187946
12	Alternative minimum tax foreign tax credit. See page 5 of the instructions for limitations .....	12	
13	Tentative minimum tax. Subtract line 12 from line 11.....	13	1187946
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit.....	14	2032950
15	Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9). If zero or less, enter -0-.....	15	0

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## Adjusted Current Earnings Worksheet

► See ACE Worksheet Instructions (which begin on page 6).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626.....	1	5929513
2	ACE depreciation adjustment:		
a	AMT depreciation .....	2a	52586
b	ACE depreciation:		
(1)	Post-1988 property .....	2b(1)	16367
(2)	Post-1989, pre-1994 property .....	2b(2)	8042
(3)	Pre-1989 MACRS property .....	2b(3)	14555
(4)	Pre-1989 original ACRS property.....	2b(4)	
(5)	Property described in sections 168(f)(1) through (4).....	2b(5)	
(6)	Other property .....	2b(6)	
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6).....	2b(7)	38964
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a.....		13622
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income .....	3a	
b	Deposits from life insurance contracts .....	3b	
c	All other distributions from life insurance contracts (including surrenders).....	3c	
d	Interest/dividends of undistributed income in life insurance contracts.....	3d	
e	Other items (see Regulations sections 1.55(f) – 1(e)(6)(B) through (k) for a partial list) .....	3e	
f	Total inclusion in ACE of items included in E&P. Add lines 3a through 3e .....		0
4	Disallowance of items not deductible from E&P:		
a	Corporate dividends received .....	4a	
b	Distributions on certain preferred stock of public utilities that are deductible under section 1331.....	4b	
c	Distributions on an ESOP that are deductible under section 4040(c) .....	4c	
d	Nondividend payments that are paid and deductible under section 1332(c).....	4d	
e	Other items (see Regulations sections 1.55(f) – 1(d)(3)(i) and (ii) for a partial list) .....	4e	
f	Total disallowance because of disallowance of items not deductible from E&P. Add lines 4a through 4e .....		0
5	Other adjustments based on rules for figuring E&P:		
a	Interest on dividends .....	5a	
b	Capital contributions .....	5b	
c	Capitalized expenditures .....	5c	
d	Unpaid installments .....	5d	
e	Installment sales .....	5e	
f	Total other E&P adjustments. Combine lines 5a through 5e .....		0
6	Disallowance of loss on exchange of debt securities .....	6	
7	Amortization expenses of life insurance companies for qualified foreign contracts .....	7	
8	Depreciation .....	8	
9	Basic adjustments in determining gain or loss from sale or exchange of pre-1994 property.....	9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626 .....	10	5943135

Client 36117

SUN MOTOMA INTERNATIONAL GUAM, INC.

98-0012883

**STATEMENT 1**  
 FORM 1120, LINE 10  
**OTHER INCOME**

COMMISSION INCOME .....	\$ 18358
OTHER INCOME .....	4440
	TOTAL \$ 22798
	=====

**STATEMENT 2**  
 FORM 1120, LINE 17  
**TAXES AND LICENSES**

GRT .....	\$ 655395
OTHER TAXES .....	170
PAYROLL TAXES .....	70892
	TOTAL \$ 726457
	=====

**STATEMENT 3**  
 FORM 1120, LINE 18  
**CHARITABLE CONTRIBUTIONS**

CHARITABLE CONTRIBUTION .....	\$ 1984
	TOTAL \$ 1984
	=====

**STATEMENT 4**  
 FORM 1120, LINE 26  
**CLOSED DEDUCTIONS**

AMORTIZATION .....	\$ 2279
BANK CHARGES .....	269426
CASH SHORT .....	235
COMMUNICATIONS .....	29532
DAMAGE ACCOUNT .....	1600
DOGS AND SUBSCRIPTIONS .....	20542
INSURANCE .....	79821
LEGAL AND PROFESSIONAL .....	76038
LOSS ON ABANDONMENT OF L/H & OTHER F/A .....	5231
MEALS, ENTERTAINMENT, AND CERTAIN TRAVEL EXPENSES .....	5483
OUTSIDE SERVICES .....	12452
POSTAGE .....	4811
SUPPLIES .....	196127